

**STATE OF MICHIGAN**  
**DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET**  
**PROCUREMENT**

525 W. ALLEGAN STREET  
 LANSING, MI 48933

P.O. BOX 30026  
 LANSING, MI 48909

CHANGE NOTICE NO. 11  
 to  
 CONTRACT NO. 071B0200009  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Guardian Alarm Company 20800 Southfield Southfield MI, 48075	Jason McDonald	jmcdonald@guardianalarm.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(248) 233-1671	*****6585

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DOS	Manoleas, Deborah	517-243-3080	ManoleasD@Michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Malu Natarajan	(517) 284-7030	NatarajanM@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Security/Intrusion Alarm Maint. & Monitoring Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2009	September 30, 2012	2 - 1 Year	March 31, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	3.5 Years	9/30/2019
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$204,267.76		\$75,000.00	\$279,267.76	

**DESCRIPTION:**

Effective March 1, 2016, this contract is extended 3.5 years; and is increased by \$ 75,000. This extension is approved by Chief Procurement Officer pursuant to Section 5.7.6 of the procurement policy (see attachment). The revised contract expiration date is September 30, 2019. The monthly monitoring fee on this contract has been increased to \$30.25 per month, per location. Please note the Contract Administrator has been changed to Malu Natarajan. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on March 15, 2016.

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 10**  
 to  
**CONTRACT NO. 071B0200009**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Guardian Alarm Company 20800 Southfield Road Southfield, MI 48075	Jason McDonald	jmcDonald@guardianalarm.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	248-233-1672	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DOS	Deborah Manoleas	517-243-3080	manoleasd@michigan.gov
BUYER	DTMB	Melissa Sambiagio	517-284-7016	sambiagiom@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Security/Intrusion Alarm Maintenance & Monitoring Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
10/1/2009	09/30/2012	1 – one year	3/31/2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
2% 30 – Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MI/IDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:					
EXTEND CONTRACT EXPIRATION DATE		EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		<input type="checkbox"/>	<input checked="" type="checkbox"/>	12 months	3/31/2016
VALUE/COST OF CHANGE NOTICE:			ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$10,000.00			\$206,268.56		
Effective February 27, 2015, this contract is extended 12 months, and is increased by \$10,000.00. Installation of 3G radios, to replace defective or out of coverage 2G backup radios, have been added to the contract at a cost of \$299.00/unit, see attached quote. The revised contract expiration date is March 31, 2016. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on March 31, 2015.					

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 9**  
 to  
**CONTRACT NO. 071B0200009**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Guardian Alarm Company 20800 Southfield Road Southfield, MI 48075	Jason McDonald	jmcDonald@guardianalarm.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	248-233-1672	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DOS	Deborah Manoleas	517-243-3080	manoleasd@michigan.gov
BUYER	DTMB	Melissa Sambiagio	517-284-7016	sambiagiom@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Security/Intrusion Alarm Maintenance & Monitoring Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
10/1/2009	09/30/2012	2 – one year	09/30/2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
2% 30 – Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	6 months	March 31, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$194,268.56		
Effective date, this contract is hereby extended through March 31, 2015. Please note the Contract Administrator has been changed to Melissa Sambiagio. All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.				

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

April 11, 2013

**CHANGE NOTICE NO. 8**  
 to  
**CONTRACT NO. 071B0200009**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Guardian Alarm Company 20800 Southfield Southfield, MI 48075	Jason McDonald	<a href="mailto:jmcdonald@guardianalarm.com">jmcdonald@guardianalarm.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 233-1671	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	MDOS	Deborah Manoleas	(586) 726-4794	<a href="mailto:manoleasd@michigan.gov">manoleasd@michigan.gov</a>
BUYER	DTMB	William C. Walsh	(517) 373-6535	<a href="mailto:walshw@michigan.gov">walshw@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: Security/Intrusion Alarm Maintenance & Monitoring Services – Department of State			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2009	September 30, 2012	2, 1 Year Options	September 30, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
2% 30 – Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 Year	September 30, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$60,000.00		\$194,268.56		
Effective immediately, the second option year of this Contract is being utilized and is INCREASED by \$60,000.00. The new end date is September 30, 2014. Please note, Branch 203 Southwest Berrien County is hereby ADDED to this Contract and Branch 262, Downtown Grand Rapids is hereby REMOVED from this Contract.				
All other terms, conditions, specifications, and pricing remain the same.				
Per agency and vendor agreement, approval of DTMB Procurement and the approval of the State Administrative Board dated April 2, 2013.				

STATE OF MICHIGAN  
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
PROCUREMENT  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 7**  
to  
**CONTRACT NO. 071B0200009**  
between  
**THE STATE OF MICHIGAN**  
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
<b>Guardian Alarm Company</b> <b>20800 Southfield</b> <b>Southfield, MI 48075</b>	<b>Jason McDonald</b>	<a href="mailto:jmcdonald@guardianalarm.com">jmcdonald@guardianalarm.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	<b>(248) 233-1671</b>	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	<b>MDOS</b>	<b>Deborah Manoleas</b>	<b>(586) 726-4794</b>	<a href="mailto:manoleasd@michigan.gov">manoleasd@michigan.gov</a>
BUYER:	<b>DTMB</b>	<b>William C. Walsh</b>	<b>(517) 373-6535</b>	<a href="mailto:walshw@michigan.gov">walshw@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: <b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS	CURRENT EXPIRATION DATE
<b>October 1, 2009</b>	<b>September 30, 2012</b>	<b>Two One-Year Options</b>	<b>September 30, 2013</b>
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
<b>2% 30 – Net 45</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
<b>N/A</b>			

DESCRIPTION OF CHANGE NOTICE:		
OPTION EXERCISED: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	IF YES, EFFECTIVE DATE OF CHANGE:	NEW EXPIRATION DATE:
<b>Effective immediately, 22 additional alarm systems, 24/7 monitoring, maintenance and reporting of security alarm systems for 22 additional Secretary of State branch offices are hereby ADDED to this Contract. A list of the additional offices is attached (line nos. 47 through 68).</b>  <b>In addition, this Contract is hereby INCREASED by \$57,960.00. This cost includes the cost of 22 new alarm systems, installation and labor, maintenance and future alarm change downloads.</b>  <b>All other terms, conditions, specifications and pricing remain unchanged.</b>  <b>Per agency request dated April 30, 2012 and DTMB, Procurement approval.</b>		
VALUE/COST OF CHANGE NOTICE:	<b>\$57,960.00</b>	
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	<b>\$134,268.56</b>	

	A	B	C	D	E	F	G	H
1			Contract No. 071B0200009 PO#231N2200242					
2	Region	Branch #	Branch	Index Code	Monitoring & Report Costs	Quarterly	Annually	
3	1	125	Brownstown	50032	\$25.25	\$75.75	\$303.00	
4	3	228	Capital Area Super Center	50113	\$25.25	\$75.75	\$303.00	
5	2	164	Central Macomb County Plus (Shelby)	50065	\$25.25	\$75.75	\$303.00	
6	1	118	Central Wayne Co Plus	50027	\$25.25	\$75.75	\$303.00	
7	2	166	Clinton Twp SUPER! Center	50067	\$25.25	\$75.75	\$303.00	
8	1	144	Dearborn	50048	\$25.25	\$75.75	\$303.00	
9	1	153	Detroit E 8 Mile	50053	\$25.25	\$75.75	\$303.00	
10	1	154	Detroit East Plus	50054	\$25.25	\$75.75	\$303.00	
11	1	133	Detroit Livernois	50039	\$25.25	\$75.75	\$303.00	
12	1	157	Detroit New Center SUPER! Center	50057	\$25.25	\$75.75	\$303.00	
13	2	172	East Oakland County Plus	50074	\$25.25	\$75.75	\$303.00	
14	2	194	Flint Area SUPER! Center	50085	\$25.25	\$75.75	\$303.00	
15	2	195	Flint DT	50086	\$25.25	\$75.75	\$303.00	
16	1	151	Hamtramck Area Plus	50051	\$25.25	\$75.75	\$303.00	
17	1	101	Inkster	50025	\$25.25	\$75.75	\$303.00	
18	3	228	Lansing Area Plus	50111	\$25.25	\$75.75	\$303.00	
19	2	176	Lapeer County Plus	50075	\$25.25	\$75.75	\$303.00	
20	1	230	Livingston CP	50115	\$25.25	\$75.75	\$303.00	
21	1	120	Livonia SUPER! Center	50029	\$25.25	\$75.75	\$303.00	
22	3	229	Mason	50114	\$25.25	\$75.75	\$303.00	
23	1	115	Monroe	50022	\$25.25	\$75.75	\$303.00	
24	3	244	Muskegon County Plus	50122	\$25.25	\$75.75	\$303.00	
25	2	171	North Macomb Co Plus	50143	\$25.25	\$75.75	\$303.00	
26	2	189	North Oakland Co Plus	50084	\$25.25	\$75.75	\$303.00	
27	3	261	Northeast Kent County Plus	50137	\$25.25	\$75.75	\$303.00	
28	1	117	Northeast Wayne Co Plus	50026	\$25.25	\$75.75	\$303.00	
29	3	208	Northwest Berrien Co Plus	50096	\$25.25	\$75.75	\$303.00	
30	1	135	Northwest Detroit Plus	50041	\$25.25	\$75.75	\$303.00	
31	2	181	Oakland County SUPER!	50077	\$25.25	\$75.75	\$303.00	
32	3	256	Ottawa Co Plus	50132	\$25.25	\$75.75	\$303.00	
33	4	279	Saginaw NW	50147	\$25.25	\$75.75	\$303.00	
34	4	288	Saginaw South	50149	\$25.25	\$75.75	\$303.00	
35	2	143	South Oakland County Plus	50047	\$25.25	\$75.75	\$303.00	
36	2	162	Southeast Macomb Co Plus	50062	\$25.25	\$75.75	\$303.00	
37	2	135	Southeast Oakland Co Plus	50046	\$25.25	\$75.75	\$303.00	
38	1	141	Southeast Wayne Co Plus	50045	\$25.25	\$75.75	\$303.00	
39	1	138	Southwest Detroit Plus (fire monitoring)	50042	\$25.25	\$75.75	\$303.00	
40	2	158	Southwest Macomb Co Plus (WarDeq)	50061	\$25.25	\$75.75	\$303.00	
41	2	121	Southwest Oakland Co Plus	50030	\$25.25	\$75.75	\$303.00	
42	2	111	Southwest Wayne Co Plus	50018	\$25.25	\$75.75	\$303.00	
43	2	169	Sterling Heights	50070	\$25.25	\$75.75	\$303.00	
44	1	109	Washtenaw Co Plus	50016	\$25.25	\$75.75	\$303.00	
45	1	128	West Wayne Co Plus	50033	\$25.25	\$75.75	\$303.00	
46	1	113	Ypsilanti	50020	\$25.25	\$75.75	\$303.00	

	A	B	C	D	E	F	G	H
1			Contract No. 071B0200009 PO#231N2200242					
2	Region	Branch #	Branch	Index Code	Monitoring & Report Costs	Quarterly	Annually	
47	1	110	Downriver Area Plus (Trenton)	50017	\$25.25	\$75.75	\$404.00	
48	1	220	Jackson County Plus	50106	\$25.25	\$75.75	\$404.00	
49	1	116	Temperance	50023	\$25.25	\$75.75	\$404.00	
50	2	185	Davison	50080	\$25.25	\$75.75	\$404.00	
51	2	187	Mt. Morris	50082	\$25.25	\$75.75	\$404.00	
52	2	168	Rochester Hills	50069	\$25.25	\$75.75	\$404.00	
53	2	290	Shiawassee County Plus (Owosso)	50129	\$25.25	\$75.75	\$404.00	
54	2	163	St. Clair County Plus (Port Huron)	50064	\$25.25	\$75.75	\$404.00	
55	2	131	West Bloomfield	50036	\$25.25	\$75.75	\$404.00	
56	2	182	West Oakland County Plus(Highland)	50078	\$25.25	\$75.75	\$404.00	
57	3	216	Calhoun County Plus(Battle Creek)	50099	\$25.25	\$75.75	\$404.00	
58	3	257	Grand Haven	50133	\$25.25	\$75.75	\$404.00	
59	3	261	Grand Rapids Downtown	50138	\$25.25	\$75.75	\$404.00	
60	3	263	Grand Rapids Super! Center	50139	\$25.25	\$75.75	\$404.00	
61	3	255	Hudsonville	50131	\$25.25	\$75.75	\$404.00	
62	3	201	Kalamazoo County Plus	50103	\$25.25	\$75.75	\$404.00	
63	3	202	South Kalamazoo County Plus (Portage)	50091	\$25.25	\$75.75	\$404.00	
64	3	273	Southwest Kent County Plus(Wyoming)	50142	\$25.25	\$75.75	\$404.00	
65	4	296	Bay County Plus (Bay City)	50155	\$25.25	\$75.75	\$404.00	
66	4	341	Grand Traverse County Plus (Traverse City)	50169	\$25.25	\$75.75	\$404.00	
67	4	301	Mecosta County Plus (Big Rapids)	50171	\$25.25	\$75.75	\$404.00	
68	4	254	Midland	50127	\$25.25	\$75.75	\$404.00	
69								Est Increases
70			Line Item 1 Monitoring & Reports		\$1,666.50	\$4,999.50	\$22,220.00	(8,888.00)
71								
72			Line Item 2 Est. Repair/Maint & Labor Cost				\$24,787.00	(20,334.00)
73								
74			Line Item 3 Alarm code download/change, equipment	Other: Estimated			\$29,938.00	(28,738.00)
75				Alarm code download/change, equipment				
76					Total		\$76,945.00	(57,960.00)

STATE OF MICHIGAN  
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
PROCUREMENT  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

March 6, 2012

CHANGE NOTICE NO. 6  
TO  
CONTRACT NO. 071B0200009  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR	TELEPHONE (248) 233-1671 <b>Jason McDonald</b>
<b>Guardian Alarm Company</b> <b>20800 Southfield</b> <b>Southfield, MI 48075</b> <b>jmcdonald@guardianalarm.com</b>	
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024 <b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>	BUYER/CA (517) 373-6535 <b>William C. Walsh, CPPB</b>
CONTRACT PERIOD: From: <b>October 1, 2009</b>	To: <b>September 30, 2013</b>
TERMS <b>2% 30 – Net 45</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective January 4, 2012, this contract is hereby **EXTENDED** to September 30, 2013 and **INCREASED** by \$18,985.00. A list of the office to be services is attached.

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per request of Department of State (ITRAC C20120227-120724) and agreement from vendor.

**INCREASE: \$18,985.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$76,308.56**



Contract No. 071B0200009 PO#231N2200242

Region	Branch #	Branch	Index Code	Monitoring & Report Costs	Quarterly	Annually
1	125	Brownstown	50032	\$25.25	\$75.75	\$303.00
3	228	Capital Area Super Center	50113	\$25.25	\$75.75	\$303.00
2	164	Central Macomb County Plus (Shelby)	50065	\$25.25	\$75.75	\$303.00
1	118	Central Wayne Co Plus	50027	\$25.25	\$75.75	\$303.00
2	166	Clinton Twp SUPER! Center	50067	\$25.25	\$75.75	\$303.00
1	144	Dearborn	50048	\$25.25	\$75.75	\$303.00
1	153	Detroit E 8 Mile	50053	\$25.25	\$75.75	\$303.00
1	154	Detroit East Plus	50054	\$25.25	\$75.75	\$303.00
1	133	Detroit Livernois	50039	\$25.25	\$75.75	\$303.00
1	157	Detroit New Center SUPER! Center	50057	\$25.25	\$75.75	\$303.00
2	172	East Oakland County Plus	50074	\$25.25	\$75.75	\$303.00
2	194	Flint Area SUPER! Center	50085	\$25.25	\$75.75	\$303.00
2	195	Flint DT	50086	\$25.25	\$75.75	\$303.00
1	151	Hamtramck Area Plus	50051	\$25.25	\$75.75	\$303.00
1	101	Inkster	50025	\$25.25	\$75.75	\$303.00
3	226	Lansing Area Plus	50111	\$25.25	\$75.75	\$303.00
2	176	Lapeer County Plus	50075	\$25.25	\$75.75	\$303.00
1	230	Livingston CP	50115	\$25.25	\$75.75	\$303.00
1	120	Livonia SUPER! Center	50029	\$25.25	\$75.75	\$303.00
3	229	Mason	50114	\$25.25	\$75.75	\$303.00
1	115	Monroe	50022	\$25.25	\$75.75	\$303.00
3	244	Muskegon County Plus	50122	\$25.25	\$75.75	\$303.00
2	171	North Macomb Co Plus	50143	\$25.25	\$75.75	\$303.00
2	189	North Oakland Co Plus	50084	\$25.25	\$75.75	\$303.00
3	261	Northeast Kent County Plus	50137	\$25.25	\$75.75	\$303.00
1	117	Northeast Wayne Co Plus	50026	\$25.25	\$75.75	\$303.00
3	208	Northwest Berrien Co Plus	50096	\$25.25	\$75.75	\$303.00
1	135	Northwest Detroit Plus	50041	\$25.25	\$75.75	\$303.00
2	181	Oakland County SUPER!	50077	\$25.25	\$75.75	\$303.00
3	256	Ottawa Co Plus	50132	\$25.25	\$75.75	\$303.00
4	279	Saginaw NW	50147	\$25.25	\$75.75	\$303.00
4	288	Saginaw South	50149	\$25.25	\$75.75	\$303.00
2	143	South Oakland County Plus	50047	\$25.25	\$75.75	\$303.00
2	162	Southeast Macomb Co Plus	50062	\$25.25	\$75.75	\$303.00
2	135	Southeast Oakland Co Plus	50046	\$25.25	\$75.75	\$303.00
1	141	Southeast Wayne Co Plus	50045	\$25.25	\$75.75	\$303.00
1	138	Southwest Detroit Plus (fire monitoring)	50042	\$25.25	\$75.75	\$303.00
2	158	Southwest Macomb Co Plus (WarDeg)	50061	\$25.25	\$75.75	\$303.00
2	121	Southwest Oakland Co Plus	50030	\$25.25	\$75.75	\$303.00
2	111	Southwest Wayne Co Plus	50018	\$25.25	\$75.75	\$303.00
2	169	Sterling Heights	50070	\$25.25	\$75.75	\$303.00
1	109	Washtenaw Co Plus	50016	\$25.25	\$75.75	\$303.00
1	128	West Wayne Co Plus	50033	\$25.25	\$75.75	\$303.00
1	113	Ypsilanti	50020	\$25.25	\$75.75	\$303.00
<b>Line Item 1</b>				<b>\$1,111.00</b>	<b>\$3,333.00</b>	<b>\$13,332.00</b>

**Line Item 2** (incl 2 opti moves)

Est. Repair/Maint & Labor Costs

**\$4,453.00**

**Line Item 3**

Other: Estimated

**\$1,200.00**

Alarm code download/change, equipment

Total

**\$18,985.00**

STATE OF MICHIGAN  
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

July 30, 2010

CHANGE NOTICE NO. 5  
TO  
CONTRACT NO. 071B0200009  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (248) 233-1671 <b>Jason McDonald</b>
<b>Guardian Alarm Company</b> <b>20800 Southfield</b> <b>Southfield, MI 48075</b> <b>jmcDonald@guardianalarm.com</b>		
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024 <b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>		BUYER/CA (517) 373-6535 <b>William C. Walsh, CPPB</b>
CONTRACT PERIOD: From: <b>October 1, 2009</b> To: <b>September 30, 2012</b>		
TERMS <b>2% 30 – Net 45</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		

**NATURE OF CHANGE(S):**

Effective January 4, 2012, this contract is hereby INCREASED by \$11,671.76.

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per request of Department of State (PRF dated 12/5/2011) and agreement from vendor.

INCREASE: \$11,671.76

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$57,323.56

STATE OF MICHIGAN  
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

July 30, 2010

CHANGE NOTICE NO. 4  
TO  
CONTRACT NO. 071B0200009  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR	TELEPHONE (248) 233-1671 <b>Jason McDonald</b>
<b>Guardian Alarm Company</b> <b>20800 Southfield</b> <b>Southfield, MI 48075</b> <b>jmcdonald@guardianalarm.com</b>	
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024 <b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>	BUYER/CA (517) 373-6535 <b>William C. Walsh, CPPB</b>
CONTRACT PERIOD: From: <b>October 1, 2009</b>	To: <b>September 30, 2012</b>
TERMS <b>2% 30 – Net 45</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective May 18, 2010, monitoring/reports and services at Royal Oak #172 is Canceled.

Effective May 19, 2010, monitoring/reports and services at East Oakland County Plus #175 is Added to this Contract.

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per agency request (email from David Smith dated July 29, 2010), and DTMB/Purchasing Operations' approval.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$45,651.00**

**FOR THE CONTRACTOR:**

Guardian Security Services Inc.

Firm Name

\_\_\_\_\_  
Authorized Agent Signature

\_\_\_\_\_  
Authorized Agent (Print or Type)

**FOR THE STATE:**

\_\_\_\_\_  
Signature

William C. Walsh, CPPB, Buyer Manager

\_\_\_\_\_  
Name/Title

**Commodities Division, Purchasing  
Operations**

\_\_\_\_\_  
Division

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Date

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Date

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

April 1, 2010

**CHANGE NOTICE NO. 3**  
**TO**  
**CONTRACT NO. 071B0200009**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR	TELEPHONE (248) 233-1671 <b>Jason McDonald</b>
<b>Guardian Alarm Company</b> <b>20800 Southfield</b> <b>Southfield, MI 48075</b> <b>jmcDonald@guardianalarm.com</b>	
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024 <b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>	BUYER/CA (517) 373-6535 <b>William C. Walsh, CPPB</b>
CONTRACT PERIOD: From: <b>October 1, 2009</b>	To: <b>September 30, 2012</b>
TERMS <b>2% 30 – Net 45</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective as noted below the following location **CHANGES** are hereby made to this Contract:

March 9, 2010 - Cancel monitoring/reports/services at Highland Park #140

March 16, 2010 - Cancel monitoring/reports/services at Farmington Hills #130

March 10, 2010 – Add monitoring/reports/services at Monroe #115

March 17, 2010 - Add monitoring/reports/services at Ottawa County Plus #256

Effective March 24, 2010, the following branch office names are hereby **CORRECTED**:

**Former Name**

**New Name**

Detroit Vernor #138

Southwest Detroit Plus #138

Southfield #143

South Oakland County Plus #143

Hamtramck #151

Hamtramck Area Plus #151

Shelby #164

Central Macomb County Plus #164

Saginaw NW #279

Saginaw County Plus #279

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per agency request (email from D. Manoleas 3/23/10), and DTMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$45,651.00

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

January 7, 2010

CHANGE NOTICE NO. 2  
TO  
CONTRACT NO. 071B0200009  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR	TELEPHONE (248) 233-1671 <b>Jason McDonald</b>
<b>Guardian Alarm Company</b> <b>20800 Southfield</b> <b>Southfield, MI 48075</b> <b>jmcdonald@guardianalarm.com</b>	
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024 <b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>	BUYER/CA (517) 373-6535 <b>William C. Walsh, CPPB</b>
CONTRACT PERIOD: From: <b>October 1, 2009</b>	To: <b>September 30, 2012</b>
TERMS <b>2% 30 – Net 45</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective January 5, 2010, the vendor name is hereby CHANGED from Guardian Security Services Inc. to Guardian Alarm Company for invoicing and payment purposes.

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per vendor/agency request (email from Dave Smith dated 12/29/09), and DMB/Purchasing Operations' approval.

**CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$45,651.00**

**STATE OF MICHIGAN  
 DEPARTMENT OF MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933**

December 23, 2009

**CHANGE NOTICE NO. 1  
 TO  
 CONTRACT NO. 071B0200009  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF CONTRACTOR  <b>Guardian Security Services Inc.          20800 Southfield          Southfield, MI 48075</b>  <div style="text-align: right;">jmcDonald@guardianalarm.com</div>	TELEPHONE (248) 233-1671 <b>Jason McDonald</b>  BUYER/CA (517) 373-6535 <b>William C. Walsh, CPPB</b>
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024 <b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>	
CONTRACT PERIOD: From: <b>October 1, 2009</b> To: <b>September 30, 2012</b>	
TERMS <div style="text-align: center;"><b>2% 30 – Net 45</b></div>	SHIPMENT <div style="text-align: center;"><b>N/A</b></div>
F.O.B. <div style="text-align: center;"><b>N/A</b></div>	SHIPPED FROM <div style="text-align: center;"><b>N/A</b></div>
MINIMUM DELIVERY REQUIREMENTS <div style="text-align: center;"><b>N/A</b></div>	

**NATURE OF CHANGE(S):**

**Per negotiations with the Contractor and the State, effective October 1, 2009, the following rates are in effect for this Contract:**

Branch #	Branch Name	Additional features	Monthly Monitoring/ Weekly Reporting Cost	Monthly Cellular Cost	Total Monthly Cost
109	Washtenaw County Plus		\$25.25	Included	\$25.25
111	Southwest Wayne County Plus		\$25.25	Included	\$25.25
113	Ypsilanti		\$25.25	Included	\$25.25
117	Northeast Wayne County Plus		\$25.25	Included	\$25.25
118	Central Wayne County		\$25.25	Included	\$25.25
120	Livonia Area Super Center		\$25.25	Included	\$25.25
121	Southwest Oakland County Plus		\$25.25	Included	\$25.25
125	Brownstown		\$25.25	Included	\$25.25
128	West Wayne County Plus		\$25.25	Included	\$25.25
130	Farmington Hills		\$25.25	Included	\$25.25
133	Detroit Livernois		\$25.25	Included	\$25.25
135	Northwest Detroit Plus		\$25.25	Included	\$25.25
138	Detroit Vernor	fire detection	\$25.25	Included	\$25.25
140	Highland Park		\$25.25	Included	\$25.25
141	Southeast Wayne County Plus		\$25.25	Included	\$25.25



142	Southeast Oakland County Plus		\$25.25	Included	\$25.25
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**CONTRACT #071B0200009**  
**CHANGE NOTICE #1**  
**PAGE TWO**

143	Southfield		\$25.25	Included	\$25.25
144	Dearborn		\$25.25	Included	\$25.25
151	Hamtramck		\$25.25	Included	\$25.25
153	Detroit E. 8 Mile		\$25.25	Included	\$25.25
154	Detroit East Plus		\$25.25	Included	\$25.25
157	Detroit New Center Super Center		\$25.25	Included	\$25.25
158	Southwest Macomb County Plus		\$25.25	Included	\$25.25
159	Warren 12 Mile		\$25.25	Included	\$25.25
162	Southeast Macomb County Plus		\$25.25	Included	\$25.25
164	Shelby Twp		\$25.25	Included	\$25.25
166	Clinton Twp Super! Center		\$25.25	Included	\$25.25
169	Sterling Heights		\$25.25	Included	\$25.25
171	North Macomb County Plus		\$25.25	Included	\$25.25
172	Royal Oak		\$25.25	Included	\$25.25
176	Lapeer County Plus		\$25.25	Included	\$25.25
181	Oakland County Super! Center		\$25.25	Included	\$25.25
188	Flint West		\$25.25	Included	\$25.25
189	North Oakland County Plus		\$25.25	Included	\$25.25
194	Flint Area Super Center		\$25.25	Included	\$25.25
195	Flint Downtown		\$25.25	Included	\$25.25
208	Northwest Berrien County Plus		\$25.25	Included	\$25.25
225	Lansing Downtown		\$25.25	Included	\$25.25
226	Lansing Area Plus		\$25.25	Included	\$25.25
244	Muskegon		\$25.25	Included	\$25.25
261	Northeast Kent County Plus		\$25.25	Included	\$25.25
279	Saginaw NW		\$25.25	Included	\$25.25
369	Gaylord		\$25.25	Included	\$25.25
387	Marquette County Plus		\$25.25	Included	\$25.25
	Total		\$1,111.00		\$1,111.00

**Various Reports**

The Contractor shall be required to insure that the security systems are capable of generating the following reports & containing the following minimum information:

**Weekly Alarm Activity/Event(s)**, MDOS location, date of event, type of alarm, zone, access code causing alarm when applicable, description of action taken, and operator's name/number receiving signal

**Failed to Test:** e-notifications on MDOS facilities with no alarm activity within 30 days. Notifications to be sent individually by MDOS facility on the 30<sup>th</sup> day.

**Signal Dispatch:** e-notifications on all signals resulting in dispatching police/fire. Notifications to be sent individually by MDOS facility at time of dispatch

**Other:** Periodic updates on equipment inventory, zones, after hour emergency contacts, police agencies, and other system information.

**Open & Close:** By location, date, time and user code

**CONTRACT #071B0200009  
CHANGE NOTICE #1  
PAGE THREE**

**Item No. 2: Repair and Maintenance Labor Costs**

The Contractor may charge labor costs associated with new equipment installation, replacement of obsolete equipment, removal of existing equipment, or relocation of existing equipment. Labor costs may also be charged for services associated with the repair and maintenance of the MDOS security systems.

**Service Call Charge (enter range if applicable): \$36.00**

**Hourly Labor Cost: \$50.00**

**Item No. 3: Selected Other Costs**

Contractor shall provide warranty information and operator/user manuals to MDOS on any new equipment.

<b>Alarm Code Download/Change</b>	<b>\$10.00/Each Location</b>
<b>Control Panel Model GEM P816, Minimum 8 zones, 16 user codes, auto arm, line cut detect (unit cost)</b>	<b>\$150.00</b>
<b>DSC GSM Universal Wireless Alarm Communicator (GS3060) Full Data Digital (unit cost)</b>	<b>\$199.00</b>
<b>Keypad Model GEM-K3DGTL (unit cost)</b>	<b>\$145.00</b>
<b>400WG Door Contact: (unit cost)</b>	<b>\$35.00</b>
<b>Battery Model 12V7Ah</b>	<b>\$15.00</b>
<b>Gemini Motion Sensors</b>	<b>\$100.00</b>
<b>Glass Breakage Sensor</b>	<b>\$90.00</b>

**Also effective October 1, 2009, this Contract is hereby INCREASED by \$10,465.20.**

**All other terms, conditions, specifications, and pricing remain unchanged.**

**AUTHORITY/REASON:**

**Per agency/vendor agreement and DMB/Purchasing Operations' approval.**

**REVISED CURRENT AUTHORIZED SPEND LIMIT: \$45,651.00**

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

October 1, 2009

NOTICE  
TO  
CONTRACT NO. 071B0200009  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR  <b>Guardian Security Services Inc. 20800 Southfield Southfield, MI 48075</b>  <b>jmcdonald@guardianalarm.com</b>	TELEPHONE (248) 233-1671 <b>Jason McDonald</b>
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024 <b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>	
CONTRACT PERIOD: From: <b>October 1, 2009</b> To: <b>September 30, 2012</b>	
TERMS <b>2% 30 – Net 45</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

The terms and conditions of this Contract are attached.

Current Authorized Spend Limit: **\$35,185.80**

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B0200009  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (248) 233-1671
<b>Guardian Security Services Inc.</b>		<b>Jason McDonald</b>
<b>20800 Southfield</b>		
<b>Southfield, MI 48075</b>		BUYER/CA (517) 373-6535
<b>jmcDonald@guardianalarm.com</b>		<b>William C. Walsh, CPPB</b>
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024		
<b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>		
CONTRACT PERIOD: From: <b>October 1, 2009</b> To: <b>September 30, 2012</b>		
TERMS	SHIPMENT	
<b>2% 30 – Net 45</b>	<b>N/A</b>	
F.O.B.	SHIPPED FROM	
<b>N/A</b>	<b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS		
<b>N/A</b>		
MISCELLANEOUS INFORMATION:		
<b>The terms and conditions of this Contract are attached.</b>		
<b>Current Authorized Spend Limit: \$35,185.80</b>		

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of Request for Proposal No. 071I9200202. A Purchase Order Form will be issued only as the requirements of the Department of State are submitted to Purchasing Operations. Orders for delivery may be issued directly by the Department of State through the issuance of a Purchase Order Form.

**FOR THE CONTRACTOR:**

Guardian Security Services Inc.  
Firm Name  
  
Authorized Agent Signature  
  
Authorized Agent (Print or Type)  
  
Date

**FOR THE STATE:**

Signature  
**William C. Walsh, CPPB, Buyer Manager**  
Name/Title  
**Services Division, Purchasing Operations**  
Division  
  
Date



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#### **ATTACHMENTS:**

Attachment A - Pricing

**DEFINITIONS**

“Days” means calendar days unless otherwise specified.

“24x7x365” means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

“Additional Service” means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.

“Audit Period” has the meaning given in **Section 2.112**.

“Business Day,” whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.

“Blanket Purchase Order” is an alternate term for Contract and is used in the States computer system.

“Business Critical” means any function identified in any Statement of Work as Business Critical.

“Chronic Failure” is defined in any applicable Service Level Agreements.

“Deleted – Not Applicable” means that section is not applicable or included in this Contract. This is used as a placeholder to maintain consistent numbering.

“Deliverable” means physical goods and/or commodities as required or identified by a Statement of Work.

“DMB” means the Michigan Department of Management and Budget.

“Environmentally preferable products” means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

“Excusable Failure” has the meaning given in **Section 2.244**.

“Hazardous material” means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

“Incident” means any interruption in Services.

“ITB” is a generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders.

“Key Personnel” means any Personnel designated in **Section 1.031** as Key Personnel.

“New Work” means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.

“Ozone-depleting substance” means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.

“Post-Consumer Waste” means any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.

“Post-Industrial Waste” means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.



“Recycling” means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

“Reuse” means using a product or component of municipal solid waste in its original form more than once.

“RFP” means a Request for Proposal designed to solicit proposals for services.

“Services” means any function performed for the benefit of the State.

“Source reduction” means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

“State Location” means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

“Subcontractor” means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

“Unauthorized Removal” means the Contractor’s removal of Key Personnel without the prior written consent of the State.

“Waste prevention” means source reduction and reuse, but not recycling.

“Waste reduction”, or “pollution prevention” means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

“Work in Progress” means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

“Work Product” refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.

**Article 1 – Statement of Work (SOW)****1.010 Project Identification****1.011 Project**

This Contract is for maintenance and monitoring of security/intrusion alarm systems incorporated at various Michigan Department of State (MDOS) offices located throughout Michigan.

**1.011 Background – Deleted – Not Applicable****1.020 Scope of Work and Deliverables****1.021 In Scope**

Contractor will be required to maintain and monitor the existing security/intrusion alarm systems for the Department of State. In addition, the Contractor may be required to furnish and install new equipment due to system upgrades, replacement of obsolete or defective equipment or expansion of security systems.

**1.022 Work and Deliverable**

The Contractor shall provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below.

**The Contractor must provide security alarm service containing the following features and services for 44 branch offices throughout the state:**

**1. 24/7 Intrusion Detection Monitoring:**

- a. Provide continuous intrusion alarm monitoring services for all designated facilities, the devices shall communicate necessary information to the Contractor's central monitoring station located in Michigan. The Contractor shall staff the central monitoring station twenty-four (24) hours per day, seven (7) days per week. There shall be no interruption in monitoring services. The Contractor shall not sub-contract central monitoring station or personnel.
- b. MDOS and the Contractor shall mutually agree to a listing of police agencies to be contacted by the Contractor in the event of an alarm condition for each of the monitored branch offices. In addition, the MDOS shall provide, to the Contractor, a list of MDOS personnel to be contacted in the event of an alarm condition occurring at each facility.
- c. Provide cellular backup central station monitoring services
- d. Provide fire detection monitoring service for the Detroit Vernor office.
- e. Install/remove/relocate security systems equipment as needed
- f. Digital backup systems are capable of transmitting full data from a panel with a format interface. Transmitted information may identify specific zones, AC lost, low battery, fire, conditional close, etc. (not just a single 'trouble' signal).
- g. Digital backup system shall connect to alarm control panel to the Global System for Mobile Communication (GSM) network to report alarm signals directly to the monitoring station receiver in a low cost, high speed and reliable alarm communication. Alarm control panel connects/communicates to backup system to report all power or line disconnections (e.g. cut line, line problems)
- h. Digital backup systems signals are transmitted directly to the monitoring station receiver without the need of clearinghouse involvement.

**2. Delivery Capabilities:**

- a. **Monitoring:** The Contractor shall initiate an appropriate response to an alarm incident within three (3) minutes of its occurrence. In the event of an incident, the Contractor shall contact the appropriate Department of State Branch Manager, Assistant Branch Manager or Designated Region Office Personnel and notify them of the incident.
  - b. **Service/Maintenance:** The Contractor shall respond within four (4) hours to requests for repair services that are necessitated by system malfunction that, if not repaired, could result in a security breach. The Contractor shall respond to requests for other, non-critical, repair services within twenty-four (24) business day hours of the request.
3. **Training/Help Support:** The Contractor shall also provide, at no charge, on site staff training in the operation of all security systems if requested. The support service must include customer and technical support to assist users.
4. **System Repair and Maintenance:** The Contractor shall perform maintenance and repairs to the system so as to keep it in good operating order to the satisfaction of MDOS. Repairs and maintenance shall be performed during normal business hours of MDOS branch offices unless the Department requests otherwise or prior arrangements are made between the Contractor and the Department. The Contractor shall be a factory authorized dealer of equipment installed in MDOS branch offices. Contractor staff, which will work on the MDOS security system, shall be manufacturer trained and certified. The Contractor shall respond to MDOS requests for repair services caused or necessitated by system malfunction that, if not repaired, could result in a security breach. Such Contractor response shall be within four (4) hours for all MDOS branch offices. The Contractor shall respond to requests for other, non-critical, repair services within twenty-four (24) hours of the request.
5. **Testing:**
- a. Contractor shall conduct weekly remote tests of digital backup system
  - b. Upon completion of any system enhancement or equipment installation, the Contractor shall conduct a functional test of the complete security system for the Department, demonstrating complete operation of each device and that the security system functions as specified. Such tests shall include demonstration of system operation with loss of utility power, and reactivating the system from a "down" condition.

**1.030 Roles and Responsibilities****1.031 Contractor Staff, Roles, and Responsibilities****Key Personnel:**

John Flores  
Central Station Manager  
(248) 233-1640  
jflores@guardianalarm.com

Tom Furlong  
Operations Manager  
(248) 233-1612  
tfurlong@guardian.com

**1.040 Project Plan****1.041 Project Plan Management – Deleted – Not Applicable****1.042 Reports**

Contractor shall provide various reports, when requested by the State. Send all reports electronically to designated MDOS employee (or Key Personnel). The Contractor shall be required to insure that the security systems are capable of generating reports containing the following minimum information:

1. **Monthly Alarm Activity/Event(s):** Monthly Alarm Activity Report shall be sent within 3 business days following the end of each month. Monthly Alarm Activity Report shall include MDOS location (branch name and number), date of event, type of alarm, zone access and/or access or user code causing alarm when applicable, description of Contractor's action taken and Contractor's operator name/number receiving signal.



2. **Failed to Test:** Failed to Test Reminder shall be sent on 30th day of Contractor not receiving any type of alarm signal. Failed to Test Reminders shall be sent individually by MDOS location identifying MDOS location and Contractor's monitoring telephone number.
3. **Signal Dispatch:** Signal Dispatch Notifications shall be sent at time of police/fire dispatch and include MDOS location and zone causing alarm, date and time of initiation of police/fire dispatch. When Contractor receives follow up or status information, Contractor shall send updates on actions taken.
4. **Other:** Periodic updates on equipment inventory, zones, after hour emergency contacts, police agencies, and other system information.
5. **Open & Close:** By location, date, time and user code

#### **1.050 Acceptance**

##### **1.051 Criteria**

The following criteria will be used by the State to determine Acceptance of the Services or Deliverables provided under this Contract:

The acceptance criteria for these services will be performance based in accordance with the work and deliverables stated above and the Contractor's ability to provide the required reports. The CCI will be responsible to insure that all deliverables and reports are provided as stated.

##### **1.052 Final Acceptance – Deleted – Not Applicable**

#### **1.060 Pricing**

##### **1.061 Pricing – See Attachment A**

##### **1.062 Price Term**

Prices quoted are firm for the entire length of the Contract.

##### **1.063 Tax Excluded from Price**

(a) **Sales Tax:** For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) **Federal Excise Tax:** The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

##### **1.064 Holdback – Deleted – Not Applicable**

#### **1.070 Additional Requirements**

##### **1.071 Additional Terms and Conditions specific to this Contract – Deleted – Not Applicable**



## **Article 2, Terms and Conditions**

### **2.000 Contract Structure and Term**

#### **2.001 Contract Term**

This Contract is for a period of three years beginning October 1, 2009, through September 30, 2012. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under this Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

#### **2.002 Options to Renew**

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. This Contract may be renewed for up to two additional one year periods.

#### **2.003 Legal Effect**

Contractor shall show acceptance of this Contract by signing two copies of this Contract and returning them to the Contract Administrator. The Contractor shall not proceed with the performance of the work to be done under this Contract, including the purchase of necessary materials, until both parties have signed this Contract to show acceptance of its terms, and the Contractor receives a contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

#### **2.004 Attachments & Exhibits**

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing this Contract, are incorporated in their entirety and form part of this Contract.

#### **2.005 Ordering**

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor will be required to furnish all such materials and services as may be ordered during the Contract period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

#### **2.006 Order of Precedence**

(a) This Contract, including any Statements of Work and Exhibits, to the extent not contrary to this Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of this Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of this Contract, which may be modified or amended only by a formal Contract amendment.

#### **2.007 Headings**

Captions and headings used in this Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

#### **2.008 Form, Function & Utility – Deleted – Not Applicable**



**2.009 Reformation and Severability**

Each provision of the Contract is severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

**2.010 Consents and Approvals**

Except as expressly provided otherwise in this Contract, if either party requires the consent or approval of the other party for the taking of any action under this Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

**2.011 No Waiver of Default**

If a party fails to insist upon strict adherence to any term of this Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of this Contract.

**2.012 Survival**

Any provisions of this Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of this Contract for any reason. Specific references to survival in this Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

**2.020 Contract Administration****2.021 Issuing Office**

This Contract is issued by the Department of Management and Budget, Purchasing Operations and Michigan Department of State (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. Purchasing Operations **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within Purchasing Operations for this Contract is:

William C. Walsh, CPPB, Buyer/Manager  
Purchasing Operations  
Department of Management and Budget  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
Email: walshw@michigan.gov  
Phone: (517) 373-6535

**2.022 Contract Compliance Inspector (CCI)**

After DMB-Purchasing Operations receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, in consultation with the Michigan Department of State will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DMB Purchasing Operations.** The Contract Compliance Inspector for this Contract is:

Deborah Manoleas  
Michigan Department of State  
34206 Van Dyke  
Sterling Heights, MI 48312  
Phone: (586) 264-7024  
E-mail: Manoleasd@michigan.gov

**2.023 Project Manager – Deleted – Not Applicable**



**2.024 Change Requests**

The State reserves the right to request from time to time any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under this Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

**Change Requests:**

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect this Contract.

**2.025 Notices**

Any notice given to a party under this Contract must be deemed effective, if addressed to the party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

State:  
State of Michigan  
Purchasing Operations  
Attention: William C. Walsh, CPPB  
PO Box 30026  
530 West Allegan  
Lansing, Michigan 48909

-  
Contractor:  
Guardian Security Services  
Attn: Jason McDonald  
20800 Southfield  
Southfield, MI 48075

Either party may change its address where notices are to be sent by giving notice according to this Section.

**2.026 Binding Commitments**

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in this Contract. Contractor may change the representatives from time to time upon written notice.

**2.027 Relationship of the Parties**

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be or must be deemed to be an employee, agent or servant of the State for any reason. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of this Contract.

**2.028 Covenant of Good Faith**

Each party must act reasonably and in good faith. Unless stated otherwise in this Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under this Contract.

**2.029 Assignments**

(a) Neither party may assign this Contract, or assign or delegate any of its duties or obligations under this Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign this Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign this Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform this Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on this Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under this Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under this Contract that all payments must be made to one entity continues.

(c) If the Contractor intends to assign the contract or any of the Contractor's rights or duties under this Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

**2.030 General Provisions****2.031 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to this Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with this Contract are to be released without prior written approval of the State and then only to persons designated.

**2.032 Contract Distribution**

Purchasing Operations retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

**2.033 Permits**

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

**2.034 Website Incorporation**

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

**2.035 Future Bidding Preclusion**

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP.

**2.036 Freedom of Information**

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

**2.037 Disaster Recovery**

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

**2.040 Financial Provisions****2.041 Fixed Prices for Services/Deliverables**

Each Statement of Work or Purchase Order issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

**2.042 Adjustments for Reductions in Scope of Services/Deliverables**

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

**2.043 Services/Deliverables Covered**

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

**2.044 Invoicing and Payment – In General**

(a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.

(c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after this Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.



The specific payment schedule for this Contract will be mutually agreed upon between the State and the Contractor. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

**2.045 Pro-ration**

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

**2.046 Antitrust Assignment**

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

**2.047 Final Payment**

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

**2.048 Electronic Payment Requirement**

Electronic transfer of funds is required for payments on State Contracts. Contractors are required to register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services shall provide that payment will be made by electronic fund transfer (EFT).

**2.050 Taxes****2.051 Employment Taxes**

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes.

**2.052 Sales and Use Taxes**

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

**2.060 Contract Management****2.061 Contractor Personnel Qualifications**

All persons assigned by Contractor to the performance of Services under this Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

**2.062 Contractor Key Personnel**

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to exercise its termination and cancellation rights.
- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

**2.063 Re-assignment of Personnel at the State's Request**

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

**2.064 Contractor Personnel Location**

All staff assigned by Contractor to work on this Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

**2.065 Contractor Identification**

Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

**2.066 Cooperation with Third Parties**

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for this Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

**2.067 Contractor Return of State Equipment/Resources – Deleted – Not Applicable****2.068 Contract Management Responsibilities**

The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from this Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of this Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

**2.070 Subcontracting by Contractor**

**Sub-Contracting will not be authorized for this Contract.**

**2.071 Contractor Full Responsibility – Deleted – Not Applicable****2.072 State Consent to Delegation – Deleted – Not Applicable****2.073 Subcontractor Bound to Contract – Deleted – Not Applicable****2.074 Flow Down – Deleted – Not Applicable****2.075 Competitive Selection – Deleted – Not Applicable****2.080 State Responsibilities****2.081 Equipment**

The State will provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

**2.082 Facilities – Deleted – Not Applicable****2.090 Security****2.091 Background Checks**

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.



**2.092 Security Breach Notification**

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by this Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

**2.093 PCI Data Security Requirements – Deleted – Not Applicable****2.100 Confidentiality****2.101 Confidentiality**

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, “Confidential Information” of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation. “Confidential Information” of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. “Confidential Information” excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

**2.102 Protection and Destruction of Confidential Information**

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of this Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

**2.103 Exclusions**

Notwithstanding the foregoing, the provisions of **Section 2.100** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.100** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

**2.104 No Implied Rights**

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

**2.105 Respective Obligations**

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

**2.110 Records and Inspections****2.111 Inspection of Work Performed**

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

**2.112 Examination of Records**

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with this Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with this Contract.

**2.113 Retention of Records**

Contractor must maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to this Contract and to the Services, equipment, and commodities provided under this Contract) pertaining to this Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

**2.114 Audit Resolution**

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

**2.115 Errors**

(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of this Contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.



**2.120 Warranties****2.121 Warranties and Representations**

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with this Contract's requirements and other standards of performance.
- (c) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (d) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (e) It is qualified and registered to transact business in all locations where required.
- (f) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (g) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (i) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (j) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.
- (k) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (l) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of this Contract.



(m) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

**2.122 Warranty of Merchantability – Deleted – Not Applicable**

**2.123 Warranty of Fitness for a Particular Purpose – Deleted – Not Applicable**

**2.124 Warranty of Title – Deleted – Not Applicable**

**2.125 Equipment Warranty – Deleted – Not Applicable**

**2.126 Equipment to be New – Deleted – Not Applicable**

**2.127 Prohibited Products – Deleted – Not Applicable**

**2.128 Consequences For Breach**

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of this Contract.

**2.130 Insurance**

**2.131 Liability Insurance**

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether the services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under this Contract.

All insurance coverage's provided relative to this Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract must be issued by companies that have been approved to do business in the State.

See [www.michigan.gov/dleg](http://www.michigan.gov/dleg).

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked ☒ below:

☒ 1. Commercial General Liability with the following minimum coverage:

\$2,000,000 General Aggregate Limit other than Products/Completed Operations  
\$2,000,000 Products/Completed Operations Aggregate Limit  
\$1,000,000 Personal & Advertising Injury Limit  
\$1,000,000 Each Occurrence Limit



The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☒ 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☒ 3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☒ 4. Employers liability insurance with the following minimum limits:

\$100,000 each accident  
\$100,000 each employee by disease  
\$500,000 aggregate disease

## **2.132 Subcontractor Insurance Coverage – Deleted – Not Applicable**

### **2.133 Certificates of Insurance and Other Requirements**

Contractor must furnish to DMB-Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected. Before this Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of this Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

**2.140 Indemnification****2.141 General Indemnification**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its Subcontractors, or by anyone else for whose acts any of them may be liable.

**2.142 Code Indemnification**

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

**2.143 Employee Indemnification**

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its Subcontractors, the indemnification obligation under this Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its Subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

**2.144 Patent/Copyright Infringement Indemnification**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

**2.145 Continuation of Indemnification Obligations**

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of this Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

**2.146 Indemnification Procedures**

The procedures set forth below must apply to all indemnity obligations under this Contract.



(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

## **2.150 Termination/Cancellation**

### **2.151 Notice and Right to Cure**

If the Contractor breaches this Contract, and the State in its sole discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

### **2.152 Termination for Cause**

(a) The State may terminate this Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.

(c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.





(d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

### **2.153 Termination for Convenience**

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

### **2.154 Termination for Non-Appropriation**

(a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for this Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

### **2.155 Termination for Criminal Conviction**

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

### **2.156 Termination for Approvals Rescinded**

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under this Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

**2.157 Rights and Obligations upon Termination**

(a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of this Contract and which are resulting from this Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

**2.158 Reservation of Rights**

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

**2.160 Termination by Contractor****2.161 Termination by Contractor**

If the State breaches this Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.190** before it terminates this Contract.

**2.170 Transition Responsibilities****2.171 Contractor Transition Responsibilities**

If the State terminates this Contract, for convenience or cause, or if this Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 90 days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175**.

**2.172 Contractor Personnel Transition**

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

**2.173 Contractor Information Transition**

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

**2.174 Contractor Software Transition**

The Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of this Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

**2.175 Transition Payments**

If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

**2.176 State Transition Responsibilities**

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

**2.180 Stop Work****2.181 Stop Work Orders**

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150**.

**2.182 Cancellation or Expiration of Stop Work Order**

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and this Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of this Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under this Contract. Any adjustment will conform to the requirements of **Section 2.024**.



**2.183 Allowance of Contractor Costs**

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180**.

**2.190 Dispute Resolution****2.191 In General**

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

**2.192 Informal Dispute Resolution**

(a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- (ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to this Contract will be honored in order that each of the parties may be fully advised of the other's position.
- (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
- (iv) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under this Contract.

**2.193 Injunctive Relief**

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of this Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

**2.194 Continued Performance**

Each party agrees to continue performing its obligations under this Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate this Contract as provided in **Section 2.150**, as the case may be.

**2.200 Federal and State Contract Requirements****2.201 Nondiscrimination**

In the performance of this Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of this Contract.

**2.202 Unfair Labor Practices**

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL 423.324, the State may void this Contract if, after award of this Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

**2.203 Workplace Safety and Discriminatory Harassment**

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

**2.204 Prevailing Wage – Deleted – Not Applicable****2.210 Governing Law****2.211 Governing Law**

This Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

**2.212 Compliance with Laws**

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

**2.213 Jurisdiction**

Any dispute arising from this Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

**2.220 Limitation of Liability****2.221 Limitation of Liability**

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

**2.230 Disclosure Responsibilities****2.231 Disclosure of Litigation**

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
  - (a) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
  - (b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor must make the following notifications in writing:

- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DMB Purchasing Operations.
- (2) Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
- (3) Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to company affiliations occur.

**2.232 Call Center Disclosure – Deleted – Not Applicable**

**2.233 Bankruptcy**

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

**2.240 Performance****2.241 Time of Performance – Deleted – Not Applicable****2.242 Service Level Agreements (SLAs) – Deleted – Not Applicable****2.243 Liquidated Damages – Deleted – Not Applicable****2.244 Excusable Failure**

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under this Contract for so long as the delay in performance continues; (b) the State may terminate any portion of this Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

**2.250 Approval of Deliverables**

**2.251 Delivery Responsibilities – Deleted – Not Applicable**

**2.252 Delivery of Deliverables – Deleted – Not Applicable**

**2.253 Testing – Deleted – Not Applicable**

**2.254 Approval of Deliverables, In General – Deleted – Not Applicable**

**2.255 Process For Approval of Written Deliverables – Deleted – Not Applicable**

**2.256 Process for Approval of Services**

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

**2.257 Process for Approval of Physical Deliverables**

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 continuous Business Days for a Physical Deliverable). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from the Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

**2.258 Final Acceptance**

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

**2.260 Ownership**

**2.261 Ownership of Work Product by State – Deleted – Not Applicable**

**2.262 Vesting of Rights – Deleted – Not Applicable**

**2.263 Rights in Data – Deleted – Not Applicable**

**2.264 Ownership of Materials – Deleted – Not Applicable**

**2.270 State Standards**

**2.271 Existing Technology Standards**

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

**2.272 Acceptable Use Policy**

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

**2.273 Systems Changes**

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access and configuration management procedures.

**2.280 Extended Purchasing**

**2.281 MIDEAL – Deleted – Not Applicable**

**2.282 State Employee Purchases – Deleted – Not Applicable**

**2.290 Environmental Provision**

**2.291 Environmental Provision – Deleted – Not Applicable**

**2.300 Other Provisions****2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials**

Equipment, materials, or supplies, that will be furnished to the State under this Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.



**Attachment A, Price**

MDOS Branch Locations with Security Alarm Services

**Item No. 1: Systems Monitoring Services**

Branch #	Branch Name	Additional features	Monthly Monitoring Cost	Monthly Cellular Cost	Total Monthly Cost
109	Washtenaw County Plus		\$14.95	Included	\$14.95
111	Southwest Wayne County Plus		\$14.95	Included	\$14.95
113	Ypsilanti		\$14.95	Included	\$14.95
117	Northeast Wayne County Plus		\$14.95	Included	\$14.95
118	Central Wayne County		\$14.95	Included	\$14.95
120	Livonia Area Super Center		\$14.95	Included	\$14.95
121	Southwest Oakland County Plus		\$14.95	Included	\$14.95
125	Brownstown		\$14.95	Included	\$14.95
128	West Wayne County Plus		\$14.95	Included	\$14.95
130	Farmington Hills		\$14.95	Included	\$14.95
133	Detroit Livernois		\$14.95	Included	\$14.95
135	Northwest Detroit Plus		\$14.95	Included	\$14.95
138	Detroit Vernor	fire detection	\$14.95	Included	\$14.95
140	Highland Park		\$14.95	Included	\$14.95
141	Southeast Wayne County Plus		\$14.95	Included	\$14.95
142	Southeast Oakland County Plus		\$14.95	Included	\$14.95
143	Southfield		\$14.95	Included	\$14.95
144	Dearborn		\$14.95	Included	\$14.95
151	Hamtramck		\$14.95	Included	\$14.95
153	Detroit E. 8 Mile		\$14.95	Included	\$14.95
154	Detroit East Plus		\$14.95	Included	\$14.95
157	Detroit New Center Super Center		\$14.95	Included	\$14.95
158	Southwest Macomb County Plus		\$14.95	Included	\$14.95
159	Warren 12 Mile		\$14.95	Included	\$14.95
162	Southeast Macomb County Plus		\$14.95	Included	\$14.95
164	Shelby Twp		\$14.95	Included	\$14.95
166	Clinton Twp Super! Center		\$14.95	Included	\$14.95
169	Sterling Heights		\$14.95	Included	\$14.95
171	North Macomb County Plus		\$14.95	Included	\$14.95
172	Royal Oak		\$14.95	Included	\$14.95
176	Lapeer County Plus		\$14.95	Included	\$14.95
181	Oakland County Super! Center		\$14.95	Included	\$14.95
188	Flint West		\$14.95	Included	\$14.95
189	North Oakland County Plus		\$14.95	Included	\$14.95
194	Flint Area Super Center		\$14.95	Included	\$14.95
195	Flint Downtown		\$14.95	Included	\$14.95
208	Northwest Berrien County Plus		\$14.95	Included	\$14.95
225	Lansing Downtown		\$14.95	Included	\$14.95
226	Lansing Area Plus		\$14.95	Included	\$14.95
244	Muskegon		\$14.95	Included	\$14.95
261	Northeast Kent County Plus		\$14.95	Included	\$14.95
279	Saginaw NW		\$14.95	Included	\$14.95
369	Gaylord		\$14.95	Included	\$14.95
387	Marquette County Plus		\$14.95	Included	\$14.95
	Total		\$657.80		\$657.80

**Item No. 2: Reporting Cost**

The Contractor shall be required to insure that the security systems are capable of generating the following reports & containing the following minimum information:

**Monthly Alarm Activity/Event(s)**, MDOS location, date of event, type of alarm, zone, access code causing alarm when applicable, description of action taken, and operator's name/number receiving signal

**Activity Report Cost Month:**

**\$5.00/ Each Location**

**Failed to Test:** e-notifications on MDOS facilities with no alarm activity within 30 days. Notifications to be sent individually by MDOS facility on the 30<sup>th</sup> day.

**FTT Report Cost Billed Monthly:**

**\$0.00**

**Signal Dispatch:** e-notifications on all signals resulting in dispatching police/fire. Notifications to be sent individually by MDOS facility at time of dispatch

**Dispatch Report Cost Billed Monthly:**

**\$0.00**

**Open & Close:** By location, date, time and user code

**Open/Close Report Cost Billed Monthly:**

**\$10.00/ Each Location**

**Item No. 3: Repair and Maintenance Labor Costs**

The Contractor may charge labor costs associated with new equipment installation, replacement of obsolete equipment, removal of existing equipment, or relocation of existing equipment. Labor costs may also be charged for services associated with the repair and maintenance of the MDOS security systems.

**Service Call Charge (enter range if applicable):**

**\$36.00**

**Hourly Labor Cost:**

**\$50.00**

**Item No. 4: Selected Other Costs**

Contractor shall provide warranty information and operator/user manuals to MDOS on any new equipment.

**Alarm Code Download/Change**

**\$10.00/Each Location**

**Control Panel Model GEM P816, Minimum 8 zones, 16 user codes, auto arm, line cut detect (unit cost)**

**\$150.00**

**DSC GSM Universal Wireless Alarm Communicator (GS3060) Full Data Digital (unit cost)**

**\$199.00**

**Keypad Model GEM-K3DGTL (unit cost)**

**\$145.00**

**400WG Door Contact: (unit cost)**

**\$35.00**

**Battery Model 12V7Ah**

**\$15.00**

**Gemini Motion Sensors**

**\$100.00**

**Glass Breakage Sensor**

**\$90.00**



**TERMS AND CONDITIONS****CONTRACT NO.****071B0200009**

Form No. DMB 234 (Rev. 1/96)

AUTHORITY: Act 431 of 1984

COMPLETION: Required

PENALTY: Contract will not be executed unless form is filed

**STATE OF MICHIGAN  
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
PROCUREMENT**

**March 6, 2012**

**P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933**

**CHANGE NOTICE NO. 6  
TO  
CONTRACT NO. 071B0200009**

**between  
THE STATE OF MICHIGAN  
and**

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (248) 233-1671
<b>Guardian Alarm Company 20800 Southfield Southfield, MI 48075</b>  jmcDonald@guardianalarm.com		<b>Jason McDonald</b>
		BUYER/CA (517) 373-6535 <b>William C. Walsh, CPPB</b>
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024		
<b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>		
CONTRACT PERIOD: From: <b>October 1, 2009</b> To: <b>September 30, 2013</b>		
TERMS	SHIPMENT	
<b>2% 30 – Net 45</b>		<b>N/A</b>
F.O.B.	SHIPPED FROM	
<b>N/A</b>		<b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS		
<b>N/A</b>		

**NATURE OF CHANGE(S):**

**Effective January 4, 2012, this contract is hereby EXTENDED to September 30, 2013 and INCREASED by \$18,985.00. A list of the office to be services is attached.**

**All other terms, conditions, specifications, and pricing remain unchanged.**

**AUTHORITY/REASON:**

**Per request of Department of State (ITRAC C20120227-120724) and agreement from vendor.**

**INCREASE: \$18,985.00****TOTAL REVISED ESTIMATED CONTRACT VALUE: \$76,308.56**

## TERMS AND CONDITIONS

CONTRACT NO.

071B0200009



Contract No. 071B0200009 PO#231N2200242

Region	Branch #	Branch	Index Code	Monitoring & Report Costs	Quarterly	Annually
1	125	Brownstown	50032	\$25.25	\$75.75	\$303.00
3	228	Capital Area Super Center	50113	\$25.25	\$75.75	\$303.00
2	164	Central Macomb County Plus (Shelby)	50065	\$25.25	\$75.75	\$303.00
1	118	Central Wayne Co Plus	50027	\$25.25	\$75.75	\$303.00
2	166	Clinton Twp SUPER! Center	50067	\$25.25	\$75.75	\$303.00
1	144	Dearborn	50048	\$25.25	\$75.75	\$303.00
1	153	Detroit E 8 Mile	50053	\$25.25	\$75.75	\$303.00
1	154	Detroit East Plus	50054	\$25.25	\$75.75	\$303.00
1	133	Detroit Livernois	50039	\$25.25	\$75.75	\$303.00
1	157	Detroit New Center SUPER! Center	50057	\$25.25	\$75.75	\$303.00
2	172	East Oakland County Plus	50074	\$25.25	\$75.75	\$303.00
2	194	Flint Area SUPER! Center	50085	\$25.25	\$75.75	\$303.00
2	195	Flint DT	50086	\$25.25	\$75.75	\$303.00
1	151	Hamtramck Area Plus	50051	\$25.25	\$75.75	\$303.00
1	101	Inkster	50025	\$25.25	\$75.75	\$303.00
3	226	Lansing Area Plus	50111	\$25.25	\$75.75	\$303.00
2	176	Lapeer County Plus	50075	\$25.25	\$75.75	\$303.00
1	230	Livingston CP	50115	\$25.25	\$75.75	\$303.00
1	120	Livonia SUPER! Center	50029	\$25.25	\$75.75	\$303.00
3	229	Mason	50114	\$25.25	\$75.75	\$303.00
1	115	Monroe	50022	\$25.25	\$75.75	\$303.00
3	244	Muskegon County Plus	50122	\$25.25	\$75.75	\$303.00
2	171	North Macomb Co Plus	50143	\$25.25	\$75.75	\$303.00
2	189	North Oakland Co Plus	50084	\$25.25	\$75.75	\$303.00
3	261	Northeast Kent County Plus	50137	\$25.25	\$75.75	\$303.00
1	117	Northeast Wayne Co Plus	50026	\$25.25	\$75.75	\$303.00
3	208	Northwest Berrien Co Plus	50096	\$25.25	\$75.75	\$303.00
1	135	Northwest Detroit Plus	50041	\$25.25	\$75.75	\$303.00
2	181	Oakland County SUPER!	50077	\$25.25	\$75.75	\$303.00
3	256	Ottawa Co Plus	50132	\$25.25	\$75.75	\$303.00
4	279	Saginaw NW	50147	\$25.25	\$75.75	\$303.00
4	288	Saginaw South	50149	\$25.25	\$75.75	\$303.00
2	143	South Oakland County Plus	50047	\$25.25	\$75.75	\$303.00
2	162	Southeast Macomb Co Plus	50062	\$25.25	\$75.75	\$303.00
2	135	Southeast Oakland Co Plus	50046	\$25.25	\$75.75	\$303.00
1	141	Southeast Wayne Co Plus	50045	\$25.25	\$75.75	\$303.00
1	138	Southwest Detroit Plus (fire monitoring)	50042	\$25.25	\$75.75	\$303.00
2	158	Southwest Macomb Co Plus (WarDeg)	50061	\$25.25	\$75.75	\$303.00
2	121	Southwest Oakland Co Plus	50030	\$25.25	\$75.75	\$303.00
2	111	Southwest Wayne Co Plus	50018	\$25.25	\$75.75	\$303.00
2	169	Sterling Heights	50070	\$25.25	\$75.75	\$303.00
1	109	Washtenaw Co Plus	50016	\$25.25	\$75.75	\$303.00
1	128	West Wayne Co Plus	50033	\$25.25	\$75.75	\$303.00
1	113	Ypsilanti	50020	\$25.25	\$75.75	\$303.00
<b>Line Item 1</b>				<b>\$1,111.00</b>	<b>\$3,333.00</b>	<b>\$13,332.00</b>

Line Item 2 (incl 2 opti moves)

Est. Repair/Maint &amp; Labor Costs

\$4,453.00

Line Item 3

Other: Estimated

\$1,200.00

Alarm code download/change, equipment

Total

\$18,985.00

**TERMS AND CONDITIONS****CONTRACT NO.****071B0200009**

Form No. DMB 234 (Rev. 1/96)

AUTHORITY: Act 431 of 1984

COMPLETION: Required

PENALTY: Contract will not be executed unless form is filed

**STATE OF MICHIGAN**  
**DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET**  
**PURCHASING OPERATIONS**  
**P.O. BOX 30026, LANSING, MI 48909**  
**OR**  
**530 W. ALLEGAN, LANSING, MI 48933**

**July 30, 2010**

**CHANGE NOTICE NO. 5**  
**TO**  
**CONTRACT NO. 071B0200009**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (248) 233-1671
<b>Guardian Alarm Company</b>		<b>Jason McDonald</b>
<b>20800 Southfield</b>		
<b>Southfield, MI 48075</b>		BUYER/CA (517) 373-6535
<b>jmcDonald@guardianalarm.com</b>		<b>William C. Walsh, CPPB</b>
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024		
<b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>		
CONTRACT PERIOD:	From: <b>October 1, 2009</b>	To: <b>September 30, 2012</b>
TERMS	<b>2% 30 – Net 45</b>	SHIPMENT <b>N/A</b>
F.O.B.	<b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS		
<b>N/A</b>		

**NATURE OF CHANGE(S):**

Effective January 4, 2012, this contract is hereby INCREASED by \$11,671.76.

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per request of Department of State (PRF dated 12/5/2011) and agreement from vendor.

**INCREASE: \$11,671.76**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$57,323.56**

**TERMS AND CONDITIONS****CONTRACT NO.****071B0200009**

Form No. DMB 234 (Rev. 1/96)  
AUTHORITY: Act 431 of 1984  
COMPLETION: Required  
PENALTY: Contract will not be executed unless form is filed

**STATE OF MICHIGAN**  
**DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET**  
**PURCHASING OPERATIONS**  
**P.O. BOX 30026, LANSING, MI 48909**  
**OR**  
**530 W. ALLEGAN, LANSING, MI 48933**

**July 30, 2010**

**CHANGE NOTICE NO. 4**  
**TO**  
**CONTRACT NO. 071B0200009**

**between**  
**THE STATE OF MICHIGAN**  
**and**

<b>NAME &amp; ADDRESS OF CONTRACTOR</b>		<b>TELEPHONE (248) 233-1671</b>
<b>Guardian Alarm Company</b>		<b>Jason McDonald</b>
<b>20800 Southfield</b>		
<b>Southfield, MI 48075</b>		<b>BUYER/CA (517) 373-6535</b>
<b>jmcDonald@guardianalarm.com</b>		<b>William C. Walsh, CPPB</b>
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024		
<b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>		
<b>CONTRACT PERIOD:</b>		<b>To: September 30, 2012</b>
From: <b>October 1, 2009</b>		
<b>TERMS</b>	<b>SHIPMENT</b>	
<b>2% 30 – Net 45</b>	<b>N/A</b>	
<b>F.O.B.</b>	<b>SHIPPED FROM</b>	
<b>N/A</b>	<b>N/A</b>	
<b>MINIMUM DELIVERY REQUIREMENTS</b>		
<b>N/A</b>		

**NATURE OF CHANGE(S):**

Effective May 18, 2010, monitoring/reports and services at Royal Oak #172 is Canceled.

Effective May 19, 2010, monitoring/reports and services at East Oakland County Plus #175 is Added to this Contract.

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per agency request (email from David Smith dated July 29, 2010), and DTMB/Purchasing Operations' approval.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$45,651.00**

**FOR THE CONTRACTOR:****FOR THE STATE:****Guardian Security Services Inc.**

Firm Name

Authorized Agent Signature

Signature

**William C. Walsh, CPPB, Buyer Manager**

Name/Title

TERMS AND CONDITIONS

CONTRACT NO.

071B0200009



Commodities Division, Purchasing  
Operations

Division

Authorized Agent (Print or Type)

Date

Date

**TERMS AND CONDITIONS****CONTRACT NO.****071B0200009**

Form No. DMB 234 (Rev. 1/96)

AUTHORITY: Act 431 of 1984

COMPLETION: Required

PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

April 1, 2010

**CHANGE NOTICE NO. 3**  
**TO**  
**CONTRACT NO. 071B0200009**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (248) 233-1671
<b>Guardian Alarm Company</b> <b>20800 Southfield</b> <b>Southfield, MI 48075</b>  <b>jmcDonald@guardianalarm.com</b>		<b>Jason McDonald</b>
		BUYER/CA (517) 373-6535
<b>William C. Walsh, CPPB</b>		
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024		
<b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>		
CONTRACT PERIOD: From: <b>October 1, 2009</b>		To: <b>September 30, 2012</b>
TERMS	2% 30 – Net 45	SHIPMENT
		<b>N/A</b>
F.O.B.	<b>N/A</b>	SHIPPED FROM
		<b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS		
<b>N/A</b>		

**NATURE OF CHANGE(S):**

Effective as noted below the following location **CHANGES** are hereby made to this Contract:

March 9, 2010 - Cancel monitoring/reports/services at Highland Park #140

March 16, 2010 - Cancel monitoring/reports/services at Farmington Hills #130

March 10, 2010 – Add monitoring/reports/services at Monroe #115

March 17, 2010 - Add monitoring/reports/services at Ottawa County Plus #256

Effective March 24, 2010, the following branch office names are hereby **CORRECTED**:

**Former Name****New Name**

Detroit Vernor #138

Southfield #143

Hamtramck #151

Shelby #164

Saginaw NW #279

Southwest Detroit Plus #138

South Oakland County Plus #143

Hamtramck Area Plus #151

Central Macomb County Plus #164

Saginaw County Plus #279

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per agency request (email from D. Manoleas 3/23/10), and DTMB/Purchasing Operations' approval.



**CURRENT AUTHORIZED SPEND LIMIT REMAINS:**

**\$45,651.00**

**TERMS AND CONDITIONS****CONTRACT NO.****071B0200009**

Form No. DMB 234 (Rev. 1/96)

AUTHORITY: Act 431 of 1984

COMPLETION: Required

PENALTY: Contract will not be executed unless form is filed

**STATE OF MICHIGAN**  
**DEPARTMENT OF MANAGEMENT AND BUDGET**  
**PURCHASING OPERATIONS**  
**P.O. BOX 30026, LANSING, MI 48909**  
**OR**  
**530 W. ALLEGAN, LANSING, MI 48933**

**January 7, 2010**

**CHANGE NOTICE NO. 2**  
**TO**  
**CONTRACT NO. 071B0200009**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR  <b>Guardian Alarm Company</b> <b>20800 Southfield</b> <b>Southfield, MI 48075</b>  <b>jmcDonald@guardianalarm.com</b>		TELEPHONE (248) 233-1671 <b>Jason McDonald</b>
		BUYER/CA (517) 373-6535 <b>William C. Walsh, CPPB</b>
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024 <b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>		
CONTRACT PERIOD: From: <b>October 1, 2009</b> To: <b>September 30, 2012</b>		
TERMS  <b>2% 30 – Net 45</b>		SHIPMENT  <b>N/A</b>
F.O.B.  <b>N/A</b>		SHIPPED FROM  <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS  <b>N/A</b>		

**NATURE OF CHANGE(S):**

Effective January 5, 2010, the vendor name is hereby **CHANGED** from Guardian Security Services Inc. to Guardian Alarm Company for invoicing and payment purposes.

All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per vendor/agency request (email from Dave Smith dated 12/29/09), and DMB/Purchasing Operations' approval.

**CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$45,651.00**



## TERMS AND CONDITIONS

CONTRACT NO.

071B0200009



Form No. DMB 234 (Rev. 1/96)

AUTHORITY: Act 431 of 1984

COMPLETION: Required

PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

December 23, 2009

**CHANGE NOTICE NO. 1**  
**TO**  
**CONTRACT NO. 071B0200009**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (248) 233-1671
<b>Guardian Security Services Inc.</b> <b>20800 Southfield</b> <b>Southfield, MI 48075</b>  <b>jmcDonald@guardianalarm.com</b>		<b>Jason McDonald</b>
		BUYER/CA (517) 373-6535
<b>William C. Walsh, CPPB</b>		
Contract Compliance Inspector: Deborah Manoleas (586) 264-7024		
<b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>		
CONTRACT PERIOD: From: <b>October 1, 2009</b>		To: <b>September 30, 2012</b>
TERMS	SHIPMENT	
<b>2% 30 – Net 45</b>		<b>N/A</b>
F.O.B.	SHIPPED FROM	
<b>N/A</b>		<b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS		
<b>N/A</b>		

**NATURE OF CHANGE(S):**

Per negotiations with the Contractor and the State, effective October 1, 2009, the following rates are in effect for this Contract:

Branch #	Branch Name	Additional features	Monthly Monitoring/ Weekly Reporting Cost	Monthly Cellular Cost	Total Monthly Cost
109	Washtenaw County Plus		\$25.25	Included	\$25.25
111	Southwest Wayne County Plus		\$25.25	Included	\$25.25
113	Ypsilanti		\$25.25	Included	\$25.25
117	Northeast Wayne County Plus		\$25.25	Included	\$25.25
118	Central Wayne County		\$25.25	Included	\$25.25
120	Livonia Area Super Center		\$25.25	Included	\$25.25
121	Southwest Oakland County Plus		\$25.25	Included	\$25.25
125	Brownstown		\$25.25	Included	\$25.25
128	West Wayne County Plus		\$25.25	Included	\$25.25
130	Farmington Hills		\$25.25	Included	\$25.25
133	Detroit Livernois		\$25.25	Included	\$25.25
135	Northwest Detroit Plus		\$25.25	Included	\$25.25
138	Detroit Vernor	fire detection	\$25.25	Included	\$25.25

**TERMS AND CONDITIONS****CONTRACT NO.****071B0200009**

140	Highland Park		\$25.25	Included	\$25.25
141	Southeast Wayne County Plus		\$25.25	Included	\$25.25
142	Southeast Oakland County Plus		\$25.25	Included	\$25.25



**CONTRACT #071B0200009**  
**CHANGE NOTICE #1**  
**PAGE TWO**

143	Southfield		\$25.25	Included	\$25.25
144	Dearborn		\$25.25	Included	\$25.25
151	Hamtramck		\$25.25	Included	\$25.25
153	Detroit E. 8 Mile		\$25.25	Included	\$25.25
154	Detroit East Plus		\$25.25	Included	\$25.25
157	Detroit New Center Super Center		\$25.25	Included	\$25.25
158	Southwest Macomb County Plus		\$25.25	Included	\$25.25
159	Warren 12 Mile		\$25.25	Included	\$25.25
162	Southeast Macomb County Plus		\$25.25	Included	\$25.25
164	Shelby Twp		\$25.25	Included	\$25.25
166	Clinton Twp Super! Center		\$25.25	Included	\$25.25
169	Sterling Heights		\$25.25	Included	\$25.25
171	North Macomb County Plus		\$25.25	Included	\$25.25
172	Royal Oak		\$25.25	Included	\$25.25
176	Lapeer County Plus		\$25.25	Included	\$25.25
181	Oakland County Super! Center		\$25.25	Included	\$25.25
188	Flint West		\$25.25	Included	\$25.25
189	North Oakland County Plus		\$25.25	Included	\$25.25
194	Flint Area Super Center		\$25.25	Included	\$25.25
195	Flint Downtown		\$25.25	Included	\$25.25
208	Northwest Berrien County Plus		\$25.25	Included	\$25.25
225	Lansing Downtown		\$25.25	Included	\$25.25
226	Lansing Area Plus		\$25.25	Included	\$25.25
244	Muskegon		\$25.25	Included	\$25.25
261	Northeast Kent County Plus		\$25.25	Included	\$25.25
279	Saginaw NW		\$25.25	Included	\$25.25
369	Gaylord		\$25.25	Included	\$25.25
387	Marquette County Plus		\$25.25	Included	\$25.25
	Total		\$1,111.00		\$1,111.00

### Various Reports

The Contractor shall be required to insure that the security systems are capable of generating the following reports & containing the following minimum information:

**Weekly Alarm Activity/Event(s)**, MDOS location, date of event, type of alarm, zone, access code causing alarm when applicable, description of action taken, and operator's name/number receiving signal

**Failed to Test:** e-notifications on MDOS facilities with no alarm activity within 30 days. Notifications to be sent individually by MDOS facility on the 30<sup>th</sup> day.

**Signal Dispatch:** e-notifications on all signals resulting in dispatching police/fire. Notifications to be sent individually by MDOS facility at time of dispatch

**Other:** Periodic updates on equipment inventory, zones, after hour emergency contacts, police agencies, and other system information.

**Open & Close:** By location, date, time and user code



**CONTRACT #071B0200009  
CHANGE NOTICE #1  
PAGE THREE**

**Item No. 2: Repair and Maintenance Labor Costs**

The Contractor may charge labor costs associated with new equipment installation, replacement of obsolete equipment, removal of existing equipment, or relocation of existing equipment. Labor costs may also be charged for services associated with the repair and maintenance of the MDOS security systems.

<b>Service Call Charge (enter range if applicable):</b>	<b>\$36.00</b>
<b>Hourly Labor Cost:</b>	<b>\$50.00</b>

**Item No. 3: Selected Other Costs**

Contractor shall provide warranty information and operator/user manuals to MDOS on any new equipment.

<b>Alarm Code Download/Change</b>	<b>\$10.00/Each Location</b>
<b>Control Panel Model GEM P816, Minimum 8 zones, 16 user codes, auto arm, line cut detect (unit cost)</b>	<b>\$150.00</b>
<b>DSC GSM Universal Wireless Alarm Communicator (GS3060) Full Data Digital (unit cost)</b>	<b>\$199.00</b>
<b>Keypad Model GEM-K3DGTL (unit cost)</b>	<b>\$145.00</b>
<b>400WG Door Contact: (unit cost)</b>	<b>\$35.00</b>
<b>Battery Model 12V7Ah</b>	<b>\$15.00</b>
<b>Gemini Motion Sensors</b>	<b>\$100.00</b>
<b>Glass Breakage Sensor</b>	<b>\$90.00</b>

**Also effective October 1, 2009, this Contract is hereby INCREASED by \$10,465.20.**

**All other terms, conditions, specifications, and pricing remain unchanged.**

**AUTHORITY/REASON:**

**Per agency/vendor agreement and DMB/Purchasing Operations' approval.**

**REVISED CURRENT AUTHORIZED SPEND LIMIT:       \$45,651.00**

**TERMS AND CONDITIONS****CONTRACT NO.****071B0200009**

Form No. DMB 234 (Rev. 1/96)

AUTHORITY: Act 431 of 1984

COMPLETION: Required

PENALTY: Contract will not be executed unless form is filed

**STATE OF MICHIGAN**  
**DEPARTMENT OF MANAGEMENT AND BUDGET**  
**PURCHASING OPERATIONS**  
**P.O. BOX 30026, LANSING, MI 48909**  
**OR**  
**530 W. ALLEGAN, LANSING, MI 48933**

**October 1, 2009**

**NOTICE**  
**TO**  
**CONTRACT NO. 071B0200009**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

<b>NAME &amp; ADDRESS OF CONTRACTOR</b>		<b>TELEPHONE (248) 233-1671</b>
<b>Guardian Security Services Inc.</b>		<b>Jason McDonald</b>
<b>20800 Southfield</b>		
<b>Southfield, MI 48075</b>		<b>BUYER/CA (517) 373-6535</b>
<b>jmcDonald@guardianalarm.com</b>		<b>William C. Walsh, CPPB</b>
<b>Contract Compliance Inspector: Deborah Manoleas (586) 264-7024</b>		
<b>Security/Intrusion Alarm Maintenance &amp; Monitoring Services – Department of State</b>		
<b>CONTRACT PERIOD: From: October 1, 2009 To: September 30, 2012</b>		
<b>TERMS</b>	<b>SHIPMENT</b>	
<b>2% 30 – Net 45</b>	<b>N/A</b>	
<b>F.O.B.</b>	<b>SHIPPED FROM</b>	
<b>N/A</b>	<b>N/A</b>	
<b>MINIMUM DELIVERY REQUIREMENTS</b>		
<b>N/A</b>		

**The terms and conditions of this Contract are attached.**

**Current Authorized Spend Limit: \$35,185.80**

**TERMS AND CONDITIONS****CONTRACT NO.****071B0200009**

Form No. DMB 234 (Rev. 1/96)

AUTHORITY: Act 431 of 1984

COMPLETION: Required

PENALTY: Contract will not be executed unless form is filed

**STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933**

**CONTRACT NO. 071B0200009****between****THE STATE OF MICHIGAN****and**

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (248) 233-1671
<b>Guardian Security Services Inc. 20800 Southfield Southfield, MI 48075</b>		<b>Jason McDonald</b>
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CONTRACT PERIOD: From: <b>October 1, 2009</b> To: <b>September 30, 2012</b>		
TERMS	SHIPMENT	
<b>2% 30 – Net 45</b>	<b>N/A</b>	
F.O.B.	SHIPPED FROM	
<b>N/A</b>	<b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS		
<b>N/A</b>		
MISCELLANEOUS INFORMATION:		
<b>The terms and conditions of this Contract are attached.</b>		
<b>Current Authorized Spend Limit: \$35,185.80</b>		

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of Request for Proposal No. 071I9200202. A Purchase Order Form will be issued only as the requirements of the Department of State are submitted to Purchasing Operations. Orders for delivery may be issued directly by the Department of State through the issuance of a Purchase Order Form.

**FOR THE CONTRACTOR:****Guardian Security Services Inc.**

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

**FOR THE STATE:**

Signature

**William C. Walsh, CPPB, Buyer Manager**

Name/Title

**Services Division, Purchasing Operations**

Division

**TERMS AND CONDITIONS**

**CONTRACT NO.**

**071B0200009**



\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



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#### **ATTACHMENTS:**

Attachment A - Pricing

**DEFINITIONS**

“Days” means calendar days unless otherwise specified.

“24x7x365” means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

“Additional Service” means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.

“Audit Period” has the meaning given in **Section 2.112**.

“Business Day,” whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.

“Blanket Purchase Order” is an alternate term for Contract and is used in the States computer system.

“Business Critical” means any function identified in any Statement of Work as Business Critical.

“Chronic Failure” is defined in any applicable Service Level Agreements.

“Deleted – Not Applicable” means that section is not applicable or included in this Contract. This is used as a placeholder to maintain consistent numbering.

“Deliverable” means physical goods and/or commodities as required or identified by a Statement of Work.

“DMB” means the Michigan Department of Management and Budget.

“Environmentally preferable products” means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

“Excusable Failure” has the meaning given in **Section 2.244**.

“Hazardous material” means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

“Incident” means any interruption in Services.

“ITB” is a generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders.

“Key Personnel” means any Personnel designated in **Section 1.031** as Key Personnel.

“New Work” means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.

“Ozone-depleting substance” means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.

“Post-Consumer Waste” means any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.

“Post-Industrial Waste” means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.



“Recycling” means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

“Reuse” means using a product or component of municipal solid waste in its original form more than once.

“RFP” means a Request for Proposal designed to solicit proposals for services.

“Services” means any function performed for the benefit of the State.

“Source reduction” means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

“State Location” means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

“Subcontractor” means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

“Unauthorized Removal” means the Contractor’s removal of Key Personnel without the prior written consent of the State.

“Waste prevention” means source reduction and reuse, but not recycling.

“Waste reduction”, or “pollution prevention” means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

“Work in Progress” means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

“Work Product” refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.

**Article 1 – Statement of Work (SOW)****1.010 Project Identification****1.011 Project**

This Contract is for maintenance and monitoring of security/intrusion alarm systems incorporated at various Michigan Department of State (MDOS) offices located throughout Michigan.

**1.011 Background – Deleted – Not Applicable****1.020 Scope of Work and Deliverables****1.021 In Scope**

Contractor will be required to maintain and monitor the existing security/intrusion alarm systems for the Department of State. In addition, the Contractor may be required to furnish and install new equipment due to system upgrades, replacement of obsolete or defective equipment or expansion of security systems.

**1.022 Work and Deliverable**

The Contractor shall provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below.

**The Contractor must provide security alarm service containing the following features and services for 44 branch offices throughout the state:**

**6. 24/7 Intrusion Detection Monitoring:**

- a. Provide continuous intrusion alarm monitoring services for all designated facilities, the devices shall communicate necessary information to the Contractor's central monitoring station located in Michigan. The Contractor shall staff the central monitoring station twenty-four (24) hours per day, seven (7) days per week. There shall be no interruption in monitoring services. The Contractor shall not sub-contract central monitoring station or personnel.
- b. MDOS and the Contractor shall mutually agree to a listing of police agencies to be contacted by the Contractor in the event of an alarm condition for each of the monitored branch offices. In addition, the MDOS shall provide, to the Contractor, a list of MDOS personnel to be contacted in the event of an alarm condition occurring at each facility.
- h. Provide cellular backup central station monitoring services
- i. Provide fire detection monitoring service for the Detroit Vernor office.
- j. Install/remove/relocate security systems equipment as needed
- k. Digital backup systems are capable of transmitting full data from a panel with a format interface. Transmitted information may identify specific zones, AC lost, low battery, fire, conditional close, etc. (not just a single 'trouble' signal).
- l. Digital backup system shall connect to alarm control panel to the Global System for Mobile Communication (GSM) network to report alarm signals directly to the monitoring station receiver in a low cost, high speed and reliable alarm communication. Alarm control panel connects/communicates to backup system to report all power or line disconnections (e.g. cut line, line problems)
- h. Digital backup systems signals are transmitted directly to the monitoring station receiver without the need of clearinghouse involvement.

**7. Delivery Capabilities:**

- c. **Monitoring:** The Contractor shall initiate an appropriate response to an alarm incident within three (3) minutes of its occurrence. In the event of an incident, the Contractor shall contact the appropriate Department of State Branch Manager, Assistant Branch Manager or Designated Region Office Personnel and notify them of the incident.
- d. **Service/Maintenance:** The Contractor shall respond within four (4) hours to requests for repair services that are necessitated by system malfunction that, if not repaired, could result in a security breach. The Contractor shall respond to requests for other, non-critical, repair services within twenty-four (24) business day hours of the request.

8. **Training/Help Support:** The Contractor shall also provide, at no charge, on site staff training in the operation of all security systems if requested. The support service must include customer and technical support to assist users.

9. **System Repair and Maintenance:** The Contractor shall perform maintenance and repairs to the system so as to keep it in good operating order to the satisfaction of MDOS. Repairs and maintenance shall be performed during normal business hours of MDOS branch offices unless the Department requests otherwise or prior arrangements are made between the Contractor and the Department. The Contractor shall be a factory authorized dealer of equipment installed in MDOS branch offices. Contractor staff, which will work on the MDOS security system, shall be manufacturer trained and certified. The Contractor shall respond to MDOS requests for repair services caused or necessitated by system malfunction that, if not repaired, could result in a security breach. Such Contractor response shall be within four (4) hours for all MDOS branch offices. The Contractor shall respond to requests for other, non-critical, repair services within twenty-four (24) hours of the request.

**10. Testing:**

- c. Contractor shall conduct weekly remote tests of digital backup system
- d. Upon completion of any system enhancement or equipment installation, the Contractor shall conduct a functional test of the complete security system for the Department, demonstrating complete operation of each device and that the security system functions as specified. Such tests shall include demonstration of system operation with loss of utility power, and reactivating the system from a "down" condition.

**1.030 Roles and Responsibilities****1.031 Contractor Staff, Roles, and Responsibilities****Key Personnel:**

John Flores  
Central Station Manager  
(248) 233-1640  
jflores@guardianalarm.com

Tom Furlong  
Operations Manager  
(248) 233-1612  
tfurlong@guardian.com

**1.040 Project Plan****1.041 Project Plan Management – Deleted – Not Applicable****1.042 Reports**

Contractor shall provide various reports, when requested by the State. Send all reports electronically to designated MDOS employee (or Key Personnel). The Contractor shall be required to insure that the security systems are capable of generating reports containing the following minimum information:

- 1. **Monthly Alarm Activity/Event(s):** Monthly Alarm Activity Report shall be sent within 3 business days following the end of each month. Monthly Alarm Activity Report shall include MDOS location (branch name and number), date of event, type of alarm, zone access and/or access or user code causing alarm when applicable, description of Contractor's action taken and Contractor's operator name/number receiving signal.



2. **Failed to Test:** Failed to Test Reminder shall be sent on 30th day of Contractor not receiving any type of alarm signal. Failed to Test Reminders shall be sent individually by MDOS location identifying MDOS location and Contractor's monitoring telephone number.
3. **Signal Dispatch:** Signal Dispatch Notifications shall be sent at time of police/fire dispatch and include MDOS location and zone causing alarm, date and time of initiation of police/fire dispatch. When Contractor receives follow up or status information, Contractor shall send updates on actions taken.
4. **Other:** Periodic updates on equipment inventory, zones, after hour emergency contacts, police agencies, and other system information.
5. **Open & Close:** By location, date, time and user code

#### **1.050 Acceptance**

##### **1.051 Criteria**

The following criteria will be used by the State to determine Acceptance of the Services or Deliverables provided under this Contract:

The acceptance criteria for these services will be performance based in accordance with the work and deliverables stated above and the Contractor's ability to provide the required reports. The CCI will be responsible to insure that all deliverables and reports are provided as stated.

##### **1.052 Final Acceptance – Deleted – Not Applicable**

#### **1.060 Pricing**

##### **1.061 Pricing – See Attachment A**

##### **1.062 Price Term**

Prices quoted are firm for the entire length of the Contract.

##### **1.063 Tax Excluded from Price**

(a) **Sales Tax:** For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) **Federal Excise Tax:** The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

##### **1.064 Holdback – Deleted – Not Applicable**

#### **1.070 Additional Requirements**

##### **1.071 Additional Terms and Conditions specific to this Contract – Deleted – Not Applicable**





## **Article 2, Terms and Conditions**

### **2.000 Contract Structure and Term**

#### **2.001 Contract Term**

This Contract is for a period of three years beginning October 1, 2009, through September 30, 2012. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under this Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

#### **2.002 Options to Renew**

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. This Contract may be renewed for up to two additional one year periods.

#### **2.003 Legal Effect**

Contractor shall show acceptance of this Contract by signing two copies of this Contract and returning them to the Contract Administrator. The Contractor shall not proceed with the performance of the work to be done under this Contract, including the purchase of necessary materials, until both parties have signed this Contract to show acceptance of its terms, and the Contractor receives a contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

#### **2.004 Attachments & Exhibits**

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing this Contract, are incorporated in their entirety and form part of this Contract.

#### **2.005 Ordering**

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor will be required to furnish all such materials and services as may be ordered during the Contract period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

#### **2.006 Order of Precedence**

(a) This Contract, including any Statements of Work and Exhibits, to the extent not contrary to this Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of this Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of this Contract, which may be modified or amended only by a formal Contract amendment.

#### **2.007 Headings**

Captions and headings used in this Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

#### **2.008 Form, Function & Utility – Deleted – Not Applicable**

**2.009 Reformation and Severability**

Each provision of the Contract is severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

**2.010 Consents and Approvals**

Except as expressly provided otherwise in this Contract, if either party requires the consent or approval of the other party for the taking of any action under this Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

**2.011 No Waiver of Default**

If a party fails to insist upon strict adherence to any term of this Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of this Contract.

**2.012 Survival**

Any provisions of this Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of this Contract for any reason. Specific references to survival in this Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

**2.020 Contract Administration****2.021 Issuing Office**

This Contract is issued by the Department of Management and Budget, Purchasing Operations and Michigan Department of State (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. Purchasing Operations **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within Purchasing Operations for this Contract is:

William C. Walsh, CPPB, Buyer/Manager  
Purchasing Operations  
Department of Management and Budget  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
Email: walshw@michigan.gov  
Phone: (517) 373-6535

**2.022 Contract Compliance Inspector (CCI)**

After DMB-Purchasing Operations receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, in consultation with the Michigan Department of State will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DMB Purchasing Operations.** The Contract Compliance Inspector for this Contract is:

Deborah Manoleas  
Michigan Department of State  
34206 Van Dyke  
Sterling Heights, MI 48312  
Phone: (586) 264-7024  
E-mail: Manoleasd@michigan.gov

**2.023 Project Manager – Deleted – Not Applicable**

**2.024 Change Requests**

The State reserves the right to request from time to time any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under this Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

**Change Requests:**

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect this Contract.

**2.025 Notices**

Any notice given to a party under this Contract must be deemed effective, if addressed to the party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

State:  
State of Michigan  
Purchasing Operations  
Attention: William C. Walsh, CPPB  
PO Box 30026  
530 West Allegan  
Lansing, Michigan 48909

-  
Contractor:  
Guardian Security Services  
Attn: Jason McDonald  
20800 Southfield  
Southfield, MI 48075

Either party may change its address where notices are to be sent by giving notice according to this Section.

**2.026 Binding Commitments**

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in this Contract. Contractor may change the representatives from time to time upon written notice.

**2.027 Relationship of the Parties**

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be or must be deemed to be an employee, agent or servant of the State for any reason. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of this Contract.

**2.028 Covenant of Good Faith**

Each party must act reasonably and in good faith. Unless stated otherwise in this Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under this Contract.

**2.029 Assignments**

(a) Neither party may assign this Contract, or assign or delegate any of its duties or obligations under this Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign this Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign this Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform this Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on this Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under this Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under this Contract that all payments must be made to one entity continues.

(c) If the Contractor intends to assign the contract or any of the Contractor's rights or duties under this Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

**2.030 General Provisions****2.031 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to this Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with this Contract are to be released without prior written approval of the State and then only to persons designated.

**2.032 Contract Distribution**

Purchasing Operations retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

**2.033 Permits**

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

**2.034 Website Incorporation**

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

**2.035 Future Bidding Preclusion**

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP.

**2.036 Freedom of Information**

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

**2.037 Disaster Recovery**

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

**2.040 Financial Provisions****2.041 Fixed Prices for Services/Deliverables**

Each Statement of Work or Purchase Order issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

**2.042 Adjustments for Reductions in Scope of Services/Deliverables**

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

**2.043 Services/Deliverables Covered**

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

**2.044 Invoicing and Payment – In General**

(a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.

(c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after this Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.



The specific payment schedule for this Contract will be mutually agreed upon between the State and the Contractor. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

**2.045 Pro-ration**

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

**2.046 Antitrust Assignment**

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

**2.047 Final Payment**

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

**2.048 Electronic Payment Requirement**

Electronic transfer of funds is required for payments on State Contracts. Contractors are required to register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services shall provide that payment will be made by electronic fund transfer (EFT).

**2.050 Taxes****2.051 Employment Taxes**

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes.

**2.052 Sales and Use Taxes**

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

**2.060 Contract Management****2.061 Contractor Personnel Qualifications**

All persons assigned by Contractor to the performance of Services under this Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.



**2.062 Contractor Key Personnel**

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to exercise its termination and cancellation rights.
- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

**2.063 Re-assignment of Personnel at the State's Request**

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

**2.064 Contractor Personnel Location**

All staff assigned by Contractor to work on this Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

**2.065 Contractor Identification**

Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

**2.066 Cooperation with Third Parties**

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for this Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

**2.067 Contractor Return of State Equipment/Resources – Deleted – Not Applicable****2.068 Contract Management Responsibilities**

The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from this Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of this Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

**2.070 Subcontracting by Contractor**

**Sub-Contracting will not be authorized for this Contract.**

**2.071 Contractor Full Responsibility – Deleted – Not Applicable****2.072 State Consent to Delegation – Deleted – Not Applicable****2.073 Subcontractor Bound to Contract – Deleted – Not Applicable****2.074 Flow Down – Deleted – Not Applicable****2.075 Competitive Selection – Deleted – Not Applicable****2.080 State Responsibilities****2.081 Equipment**

The State will provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

**2.082 Facilities – Deleted – Not Applicable****2.090 Security****2.091 Background Checks**

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.



**2.092 Security Breach Notification**

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by this Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

**2.093 PCI Data Security Requirements – Deleted – Not Applicable****2.100 Confidentiality****2.101 Confidentiality**

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, “Confidential Information” of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation. “Confidential Information” of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. “Confidential Information” excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

**2.102 Protection and Destruction of Confidential Information**

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of this Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

**2.103 Exclusions**

Notwithstanding the foregoing, the provisions of **Section 2.100** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.100** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

**2.104 No Implied Rights**

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

**2.105 Respective Obligations**

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

**2.110 Records and Inspections****2.111 Inspection of Work Performed**

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

**2.112 Examination of Records**

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with this Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with this Contract.

**2.113 Retention of Records**

Contractor must maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to this Contract and to the Services, equipment, and commodities provided under this Contract) pertaining to this Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

**2.114 Audit Resolution**

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

**2.115 Errors**

(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of this Contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

**2.120 Warranties****2.121 Warranties and Representations**

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with this Contract's requirements and other standards of performance.
- (c) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (d) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (e) It is qualified and registered to transact business in all locations where required.
- (f) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (g) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (i) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (j) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.
- (k) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (l) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of this Contract.



(m) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

**2.122 Warranty of Merchantability – Deleted – Not Applicable**

**2.123 Warranty of Fitness for a Particular Purpose – Deleted – Not Applicable**

**2.124 Warranty of Title – Deleted – Not Applicable**

**2.125 Equipment Warranty – Deleted – Not Applicable**

**2.126 Equipment to be New – Deleted – Not Applicable**

**2.127 Prohibited Products – Deleted – Not Applicable**

**2.128 Consequences For Breach**

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of this Contract.

**2.130 Insurance**

**2.131 Liability Insurance**

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether the services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under this Contract.

All insurance coverage's provided relative to this Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract must be issued by companies that have been approved to do business in the State.

See [www.michigan.gov/dleg](http://www.michigan.gov/dleg).

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked ☒ below:

- ☒ 1. Commercial General Liability with the following minimum coverage:
- \$2,000,000 General Aggregate Limit other than Products/Completed Operations
  - \$2,000,000 Products/Completed Operations Aggregate Limit
  - \$1,000,000 Personal & Advertising Injury Limit
  - \$1,000,000 Each Occurrence Limit



The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☒ 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☒ 3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☒ 4. Employers liability insurance with the following minimum limits:

\$100,000 each accident  
\$100,000 each employee by disease  
\$500,000 aggregate disease

## **2.132 Subcontractor Insurance Coverage – Deleted – Not Applicable**

### **2.133 Certificates of Insurance and Other Requirements**

Contractor must furnish to DMB-Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected. Before this Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of this Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.



**2.140 Indemnification****2.141 General Indemnification**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its Subcontractors, or by anyone else for whose acts any of them may be liable.

**2.142 Code Indemnification**

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

**2.143 Employee Indemnification**

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its Subcontractors, the indemnification obligation under this Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its Subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

**2.144 Patent/Copyright Infringement Indemnification**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

**2.145 Continuation of Indemnification Obligations**

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of this Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

**2.146 Indemnification Procedures**

The procedures set forth below must apply to all indemnity obligations under this Contract.



(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

## **2.150 Termination/Cancellation**

### **2.151 Notice and Right to Cure**

If the Contractor breaches this Contract, and the State in its sole discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

### **2.152 Termination for Cause**

(a) The State may terminate this Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.

(c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.



(d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

### **2.153 Termination for Convenience**

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

### **2.154 Termination for Non-Appropriation**

(a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for this Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

### **2.155 Termination for Criminal Conviction**

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

### **2.156 Termination for Approvals Rescinded**

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under this Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.



**2.157 Rights and Obligations upon Termination**

(a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of this Contract and which are resulting from this Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

**2.158 Reservation of Rights**

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

**2.160 Termination by Contractor****2.161 Termination by Contractor**

If the State breaches this Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.190** before it terminates this Contract.

**2.170 Transition Responsibilities****2.171 Contractor Transition Responsibilities**

If the State terminates this Contract, for convenience or cause, or if this Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 90 days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175**.

**2.172 Contractor Personnel Transition**

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

**2.173 Contractor Information Transition**

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

**2.174 Contractor Software Transition**

The Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of this Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

**2.175 Transition Payments**

If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

**2.176 State Transition Responsibilities**

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

**2.180 Stop Work****2.181 Stop Work Orders**

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150**.

**2.182 Cancellation or Expiration of Stop Work Order**

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and this Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of this Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under this Contract. Any adjustment will conform to the requirements of **Section 2.024**.

**2.183 Allowance of Contractor Costs**

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180**.

**2.190 Dispute Resolution****2.191 In General**

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

**2.192 Informal Dispute Resolution**

(a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- (ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to this Contract will be honored in order that each of the parties may be fully advised of the other's position.
- (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
- (iv) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under this Contract.

**2.193 Injunctive Relief**

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of this Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

**2.194 Continued Performance**

Each party agrees to continue performing its obligations under this Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate this Contract as provided in **Section 2.150**, as the case may be.

**2.200 Federal and State Contract Requirements****2.201 Nondiscrimination**

In the performance of this Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of this Contract.

**2.202 Unfair Labor Practices**

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL 423.324, the State may void this Contract if, after award of this Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

**2.203 Workplace Safety and Discriminatory Harassment**

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

**2.204 Prevailing Wage – Deleted – Not Applicable****2.210 Governing Law****2.211 Governing Law**

This Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

**2.212 Compliance with Laws**

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

**2.213 Jurisdiction**

Any dispute arising from this Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

**2.220 Limitation of Liability****2.221 Limitation of Liability**

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

**2.230 Disclosure Responsibilities****2.231 Disclosure of Litigation**

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
  - (a) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
  - (b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor must make the following notifications in writing:

- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DMB Purchasing Operations.
- (2) Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
- (3) Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to company affiliations occur.

**2.232 Call Center Disclosure – Deleted – Not Applicable**



**2.233 Bankruptcy**

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

**2.240 Performance****2.241 Time of Performance – Deleted – Not Applicable****2.242 Service Level Agreements (SLAs) – Deleted – Not Applicable****2.243 Liquidated Damages – Deleted – Not Applicable****2.244 Excusable Failure**

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under this Contract for so long as the delay in performance continues; (b) the State may terminate any portion of this Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

**2.250 Approval of Deliverables**

**2.251 Delivery Responsibilities – Deleted – Not Applicable**

**2.252 Delivery of Deliverables – Deleted – Not Applicable**

**2.253 Testing – Deleted – Not Applicable**

**2.254 Approval of Deliverables, In General – Deleted – Not Applicable**

**2.255 Process For Approval of Written Deliverables – Deleted – Not Applicable**

**2.256 Process for Approval of Services**

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

**2.257 Process for Approval of Physical Deliverables**

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 continuous Business Days for a Physical Deliverable). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from the Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

**2.258 Final Acceptance**

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

**2.260 Ownership**

**2.261 Ownership of Work Product by State – Deleted – Not Applicable**

**2.262 Vesting of Rights – Deleted – Not Applicable**

**2.263 Rights in Data – Deleted – Not Applicable**

**2.264 Ownership of Materials – Deleted – Not Applicable**

**2.270 State Standards**

**2.271 Existing Technology Standards**

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

**2.272 Acceptable Use Policy**

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

**2.273 Systems Changes**

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access and configuration management procedures.

**2.280 Extended Purchasing**

**2.281 MIDEAL – Deleted – Not Applicable**

**2.282 State Employee Purchases – Deleted – Not Applicable**

**2.290 Environmental Provision**

**2.291 Environmental Provision – Deleted – Not Applicable**

**2.300 Other Provisions****2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials**

Equipment, materials, or supplies, that will be furnished to the State under this Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.



**Attachment A, Price**
**MDOS Branch Locations with Security Alarm Services**  
**Item No. 1: Systems Monitoring Services**

Branch #	Branch Name	Additional features	Monthly Monitoring Cost	Monthly Cellular Cost	Total Monthly Cost
109	Washtenaw County Plus		\$14.95	Included	\$14.95
111	Southwest Wayne County Plus		\$14.95	Included	\$14.95
113	Ypsilanti		\$14.95	Included	\$14.95
117	Northeast Wayne County Plus		\$14.95	Included	\$14.95
118	Central Wayne County		\$14.95	Included	\$14.95
120	Livonia Area Super Center		\$14.95	Included	\$14.95
121	Southwest Oakland County Plus		\$14.95	Included	\$14.95
125	Brownstown		\$14.95	Included	\$14.95
128	West Wayne County Plus		\$14.95	Included	\$14.95
130	Farmington Hills		\$14.95	Included	\$14.95
133	Detroit Livernois		\$14.95	Included	\$14.95
135	Northwest Detroit Plus		\$14.95	Included	\$14.95
138	Detroit Vernor	fire detection	\$14.95	Included	\$14.95
140	Highland Park		\$14.95	Included	\$14.95
141	Southeast Wayne County Plus		\$14.95	Included	\$14.95
142	Southeast Oakland County Plus		\$14.95	Included	\$14.95
143	Southfield		\$14.95	Included	\$14.95
144	Dearborn		\$14.95	Included	\$14.95
151	Hamtramck		\$14.95	Included	\$14.95
153	Detroit E. 8 Mile		\$14.95	Included	\$14.95
154	Detroit East Plus		\$14.95	Included	\$14.95
157	Detroit New Center Super Center		\$14.95	Included	\$14.95
158	Southwest Macomb County Plus		\$14.95	Included	\$14.95
159	Warren 12 Mile		\$14.95	Included	\$14.95
162	Southeast Macomb County Plus		\$14.95	Included	\$14.95
164	Shelby Twp		\$14.95	Included	\$14.95
166	Clinton Twp Super! Center		\$14.95	Included	\$14.95
169	Sterling Heights		\$14.95	Included	\$14.95
171	North Macomb County Plus		\$14.95	Included	\$14.95
172	Royal Oak		\$14.95	Included	\$14.95
176	Lapeer County Plus		\$14.95	Included	\$14.95
181	Oakland County Super! Center		\$14.95	Included	\$14.95
188	Flint West		\$14.95	Included	\$14.95
189	North Oakland County Plus		\$14.95	Included	\$14.95
194	Flint Area Super Center		\$14.95	Included	\$14.95
195	Flint Downtown		\$14.95	Included	\$14.95
208	Northwest Berrien County Plus		\$14.95	Included	\$14.95
225	Lansing Downtown		\$14.95	Included	\$14.95
226	Lansing Area Plus		\$14.95	Included	\$14.95
244	Muskegon		\$14.95	Included	\$14.95
261	Northeast Kent County Plus		\$14.95	Included	\$14.95
279	Saginaw NW		\$14.95	Included	\$14.95
369	Gaylord		\$14.95	Included	\$14.95
387	Marquette County Plus		\$14.95	Included	\$14.95
	Total		\$657.80		\$657.80

**Item No. 2: Reporting Cost**

The Contractor shall be required to insure that the security systems are capable of generating the following reports & containing the following minimum information:

**Monthly Alarm Activity/Event(s)**, MDOS location, date of event, type of alarm, zone, access code causing alarm when applicable, description of action taken, and operator's name/number receiving signal

**Activity Report Cost Month:**

**\$5.00/ Each Location**

**Failed to Test:** e-notifications on MDOS facilities with no alarm activity within 30 days. Notifications to be sent individually by MDOS facility on the 30<sup>th</sup> day.

**FTT Report Cost Billed Monthly:**

**\$0.00**

**Signal Dispatch:** e-notifications on all signals resulting in dispatching police/fire. Notifications to be sent individually by MDOS facility at time of dispatch

**Dispatch Report Cost Billed Monthly:**

**\$0.00**

**Open & Close:** By location, date, time and user code

**Open/Close Report Cost Billed Monthly:**

**\$10.00/ Each Location**

**Item No. 3: Repair and Maintenance Labor Costs**

The Contractor may charge labor costs associated with new equipment installation, replacement of obsolete equipment, removal of existing equipment, or relocation of existing equipment. Labor costs may also be charged for services associated with the repair and maintenance of the MDOS security systems.

**Service Call Charge (enter range if applicable):**

**\$36.00**

**Hourly Labor Cost:**

**\$50.00**

**Item No. 4: Selected Other Costs**

Contractor shall provide warranty information and operator/user manuals to MDOS on any new equipment.

**Alarm Code Download/Change**

**\$10.00/Each Location**

**Control Panel Model GEM P816, Minimum 8 zones,  
16 user codes, auto arm, line cut detect (unit cost)**

**\$150.00**

**DSC GSM Universal Wireless Alarm Communicator  
(GS3060) Full Data Digital (unit cost)**

**\$199.00**

**Keypad Model GEM-K3DGTL (unit cost)**

**\$145.00**

**400WG Door Contact: (unit cost)**

**\$35.00**

**Battery Model 12V7Ah**

**\$15.00**

**Gemini Motion Sensors**

**\$100.00**

**Glass Breakage Sensor**

**\$90.00**